Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2024** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan STEPHENSON EQUIPMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN	**1b** Three-digit plan number (PN) ▶ 002 **1c** Effective date of plan 01/01/2022
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) STEPHENSON EQUIPMENT, INC. 401 PORT VIEW DRIVE SUITE 100 HARRISBURG, PA 17111	**2b** Employer Identification Number (EIN) 25-1511922 **2c** Plan Sponsor's telephone number 717-564-3434 **2d** Business code (see instructions) 423800

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2025	STEVE FRANZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	237
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	225
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	219
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	23
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	242
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	243
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	236
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	243
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	9
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2I 2P 2Q 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)
- (1) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
- (4) [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)
- (1) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
- (4) [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules
- (1) [X] **R** (Retirement Plan Information)
- (2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) [ ] **DCG** (Individual Plan Information) – Number Attached ______
- (5) [ ] **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules
- (1) [X] **H** (Financial Information)
- (2) [ ] **I** (Financial Information – Small Plan)
- (3) [ ] **A** (Insurance Information) – Number Attached 0
- (4) [ ] **C** (Service Provider Information)
- (5) [ ] **D** (DFE/Participating Plan Information)
- (6) [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ....……….… ☐ Yes ☐ No

If “Yes” is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code______________________

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2024** **This Form is Open to Public Inspection**

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan
STEPHENSON EQUIPMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
STEPHENSON EQUIPMENT, INC.

D Employer Identification Number (EIN)
25-1511922

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	**1a**		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	**1b(1)**		
(2) Participant contributions	**1b(2)**		
(3) Other	**1b(3)**		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	**1c(1)**		
(2) U.S. Government securities	**1c(2)**		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	**1c(3)(A)**		
(B) All other	**1c(3)(B)**		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	**1c(4)(A)**		
(B) Common	**1c(4)(B)**		
(5) Partnership/joint venture interests	**1c(5)**		
(6) Real estate (other than employer real property)	**1c(6)**		
(7) Loans (other than to participants)	**1c(7)**		
(8) Participant loans	**1c(8)**		
(9) Value of interest in common/collective trusts	**1c(9)**		
(10) Value of interest in pooled separate accounts	**1c(10)**		
(11) Value of interest in master trust investment accounts	**1c(11)**		
(12) Value of interest in 103-12 investment entities	**1c(12)**		
(13) Value of interest in registered investment companies (e.g., mutual funds)	**1c(13)**		
(14) Value of funds held in insurance company general account (unallocated contracts)	**1c(14)**		
(15) Other	**1c(15)**		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	5523000	11415000
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5523000	11415000
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	68718165	67387108
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	68718165	67387108
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	-63195165	-55972108

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	3969835	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3969835
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	5892000	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		5892000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		9861835

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		2638778
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2638778

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		7223057
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: TROUT CPA **(2)** EIN: 23-1551315

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) [ ] This form is filed for a CCT, PSA, DCG or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No
If "Yes," enter the amount of any plan assets that reverted to the employer this year ____________.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .... ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year ____________________.

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2024** **This Form is Open to Public Inspection.**

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan
STEPHENSON EQUIPMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
STEPHENSON EQUIPMENT, INC.

D Employer Identification Number (EIN)
25-1511922

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): ____________________ ____________________

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .... ☐ Yes ☐ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month ________ Day ________ Year ________

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? .... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .... ☐ Yes ☐ No ☐ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box........ ☐ Increase ☐ Decrease ☐ Both ☐ No

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .... ☐ Yes ☒ No

11 **a** Does the ESOP hold any preferred stock? .... ☐ Yes ☒ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .... ☐ Yes ☒ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? .... ☒ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _______% Private Equity: _______% Investment-Grade Debt and Interest Rate Hedging Assets: _______%

High-Yield Debt: _______% Real Assets: _______% Cash or Cash Equivalents: _______% Other: _______%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation.________________________________

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☒ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number__________.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

Years Ended December 31, 2024 and 2023

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Stephenson Equipment, Inc. Employee Stock Ownership Plan

Financial Statements with Supplementary Information

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Stephenson Equipment, Inc. Employee Stock Ownership Plan
Harrisburg, Pennsylvania

Opinion
We have audited the accompanying financial statements of **Stephenson Equipment, Inc. Employee Stock Ownership Plan**, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets (deficit) available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of **Stephenson Equipment, Inc. Employee Stock Ownership Plan** as of December 31, 2024 and 2023, and the changes in its net assets (deficit) available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Stephenson Equipment, Inc. Employee Stock Ownership Plan** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Trout CPA

September 24, 2025
Lancaster, Pennsylvania

Stephenson Equipment, Inc. Employee Stock Ownership Plan

STATEMENTS of NET ASSETS (DEFICIT) AVAILABLE for BENEFITS

December 31, 2024 and 2023

	2024			2023		
	Allocated	**Unallocated**	**Total**	**Allocated**	**Unallocated**	**Total**
ASSETS						
Investments:						
Investments in Sponsor Company Common Stock, at Fair Value	$ 740,538	$ 10,674,462	$ 11,415,000	$ 173,846	$ 5,349,154	$ 5,523,000
LIABILITIES						
Note Payable	-0-	67,387,108	67,387,108	-0-	68,718,165	68,718,165
NET ASSETS (DEFICIT) AVAILABLE for BENEFITS	$ 740,538	$ (56,712,646)	$ (55,972,108)	$ 173,846	$ (63,369,011)	$ (63,195,165)

See notes to financial statements.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

STATEMENTS of CHANGES in NET ASSETS (DEFICIT) AVAILABLE for BENEFITS

Years Ended December 31, 2024 and 2023

	2024			2023		
	Allocated	**Unallocated**	**Total**	**Allocated**	**Unallocated**	**Total**
ADDITIONS						
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value Investment	$ 185,461	$ 5,706,539	$ 5,892,000	$ -0-	$ (64,477,000)	$ (64,477,000)
Employer Contributions	-0-	3,969,835	3,969,835	-0-	41,539	41,539
Allocation of 3,340 and 3,148 Shares for 2024 and 2023, Respectively of Sponsor Company Common Stock, at Fair Value	381,231	-0-	381,231	173,846	-0-	173,846
Total Additions	**566,692**	**9,676,374**	**10,243,066**	**173,846**	**(64,435,461)**	**(64,261,615)**
DEDUCTIONS						
Interest Expense	-0-	2,638,778	2,638,778	-0-	2,459,704	2,459,704
Allocation of 3,340 and 3,148 Shares for 2024 and 2023, Respectively of Sponsor Company Common Stock, at Fair Value	-0-	381,231	381,231	-0-	173,846	173,846
Total Deductions	**-0-**	**3,020,009**	**3,020,009**	**-0-**	**2,633,550**	**2,633,550**
NET INCREASE (DECREASE)	**566,692**	**6,656,365**	**7,223,057**	**173,846**	**(67,069,011)**	**(66,895,165)**
TRANSFER for DEBT SERVICE	**-0-**	**-0-**	**-0-**	**(3,700,000)**	**3,700,000**	**-0-**
NET ASSETS (DEFICIT) AVAILABLE for BENEFITS						
Beginning of Year	173,846	(63,369,011)	(63,195,165)	3,700,000	-0-	3,700,000
End of Year	**$ 740,538**	**$ (56,712,646)**	**$ (55,972,108)**	**$ 173,846**	**$ (63,369,011)**	**$ (63,195,165)**

See notes to financial statements.

NOTE 1 - DESCRIPTION of PLAN

The following description of the **Stephenson Equipment, Inc. Employee Stock Ownership Plan** (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

Stephenson Equipment, Inc. (the Company, the Plan Sponsor) established the **Stephenson Equipment, Inc. Employee Stock Ownership Plan** (the Plan) and the Stephenson Equipment, Inc. Employee Stock Ownership Plan Trust (the ESOP Trust) effective as of January 1, 2022. The Plan operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of ERISA. The Plan is administered by the ESOP Committee whose members are appointed by the Company's board of directors. The ESOP Committee is assisted in the administration of the Plan by a third-party administrator. The Plan and ESOP trust are overseen by an external trustee. The trustee is appointed by the board of directors.

Up until January 31, 2023, the Company was owned by individual shareholders. On January 31, 2023, the Company and the selling stockholders entered into an agreement whereby the Company purchased all 72,809 outstanding shares from the selling shareholders. At the same time as the stock redemption, the Company issued 100,000 shares to the Stephenson Equipment, Inc. Employee Stock Ownership Trust (ESOT) for a purchase price of $70,000,000 in exchange for a promissory note (ESOP Note) and an ESOP Loan and Pledge Agreement. The ESOT will repay the ESOP Note, which accrues interest at 3.84%, over a period of 30 years. The principal and interest payments to the Company will be funded from annual contributions by the Company into the ESOT. Annual principal and interest payments due under the ESOP Note are approximately $3,970,000 and will release approximately 3,340 shares to participant accounts annually.

Initially, the borrowing is collateralized by all 100,000 shares of common stock. As the Plan makes principal and interest payments, an appropriate percentage of shares is released from loan collateral and is allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. The Company, in its capacity as the lender, has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024 and 2023 and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

- the accounts of employees with vested rights in allocated common stock (allocated), and
- common stock not yet allocated to employees (unallocated).

Eligibility

Employees of the Company are generally eligible to participate in the Plan after they worked at least 1,000 hours during such Plan year and attaining age 18. Plan entrance dates are January 1 and July 1.

Participants who do not have at least 1,000 hours of service during a Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions and/or forfeitures for such year. Those who have reached retirement age are eligible for an allocation of Company contributions even if they are not employed on the last day of year.

NOTE 1 - DESCRIPTION of PLAN (Continued)

Contributions
The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. The Company may elect to contribute additional amounts at the discretion of its board of directors. Employee contributions are not permitted.

Participant Accounts
The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Sponsor Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Eligible employees, if applicable, will also receive an allocation of additional employer cash contributions. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance. At times, cash balances in participant accounts may be exchanged for common stock shares from other participant accounts to facilitate distributions.

Vesting
If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company beginning with the Plan's effective date. Participants vest 20 percent per year of service commencing with the second year of service and are 100 percent vested after six years of service.

Payment of Benefits
Upon retirement, disability, or death, the participant's account may be paid in the plan year following severance of employment. Otherwise, the participant's account may be paid in the plan year after the end of the fifth plan year following the year in which the severance of employment occurs. A participant will receive distributions of his/her account in five annual installments. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash or, if the Company elects, in the form of Sponsor Company common stock. Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

Administrative Expenses
Administrative expenses may be paid either by the Plan or by the Company. The Company is currently paying all the operating expenses for the Plan. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan.

Voting Rights
The trustee votes all shares of Company stock held by the Plan with respect to all corporate matters upon which Company shareholders are entitled or permitted to vote. Each participant is entitled to direct the trustee as to voting of shares of Company stock held in his/her account for the approval or disapproval of certain corporate matters required by regulation. The ESOP Committee will direct the Trustee's voting with respect to allocated shares for which no direction is received and with respect to unallocated shares. The ESOP Committee will direct the Trustee with respect to the voting of Company Stock in all matters that do not require the vote of participants by regulation.

NOTE 1 - DESCRIPTION of PLAN (Continued)

Put Option

Under federal income tax regulations, the Plan Sponsor stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Sponsor Company common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a 6-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeitures

Plan forfeitures are allocated to each participant’s account based upon the relation of the participant’s compensation to total compensation for the Plan year. Forfeitures withheld and reallocated for the years ended December 31, 2024 and 2023 were $413 and $11,702, respectively.

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC) as set forth by the Financial Accounting Standards Board (FASB).

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Significant estimates used in the preparation of these financial statements relate to the valuation of investments and changes therein. See Note 6 for discussion of fair value measurements.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocations (Continued)

The Company contribution to the ESOP of $3,700,000 during the year ended December 31, 2022 was applied to debt service during 2023. This is reported as a transfer from the allocated accounts to the unallocated accounts on the statements of changes in net assets (deficit) available for benefits.

Investment Valuation and Income Recognition

The shares of Sponsor Company common stock are valued at fair value. See Note 6 for discussion of fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated July 1, 2025, stating that the Plan, as amended, is qualified under the (IRC) and, therefore, the related trust is exempt from taxation. The Plan document has been amended since receiving the determination letter. The Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore believes that the Plan is qualified and the related trust tax-exempt as of the financial statement date.

US GAAP requires Plan Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 4 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the ESOP Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

NOTE 5 - NONPARTICIPANT-DIRECTED INVESTMENTS

The Plan's investments, at December 31, 2024 and 2023, are presented in the following tables. These investments are not participant directed.

	December 31,			
	2024		2023	
	Allocated	**Unallocated**	**Allocated**	**Unallocated**
Stephenson Equipment, Inc. Common Stock				
Number of Shares	6,488	93,512	3,148	96,852
Cost	4,541,600	65,458,400	2,203,600	67,796,400
Fair Value	740,538	10,674,462	173,846	5,349,154

NOTE 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurement,* are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2024 and 2023.

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

Sponsor Company Common Stock
The fair value of the Sponsor Company common stock held by the Plan is valued at estimated fair value based upon an independent appraisal. This appraisal was based on a combination of the income approach (discounted cash flows) and of the market approach (guideline public company and guideline transaction methods).

The resulting unadjusted value was decreased for a marketability discount.

Significant inputs to the valuation included (1) Plan Sponsor internal documents such as budgets, projections, and other management reports, (2) audited financial statements of the Plan Sponsor, (3) information derived from inquiries, (4) the results of real estate appraisals, and (5) economic and industry outlook.

The ESOP Trustee determines the fair value measurement policies and procedures in consultation with various internal and external resources. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information. Significant unobservable inputs for the income approach included the determination of the weighted average cost of capital and the long-term growth rate. Significant inputs for the market approach included the utilization of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) multiples and size premiums or discounts. The selection of the lack of marketability discounts and the real estate valuations are also significant unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 and 2023:

	Assets at Fair Value as of December 31,			
	2024		**2023**	
	Level 3	**Total**	**Level 3**	**Total**
Investment in Stephenson Equipment, Inc. Common Stock	11,415,000	11,415,000	5,523,000	5,523,000

During the year ended December 31, 2023, the Plan purchased Sponsor Company common stock, which is considered a Level 3 investment, as further disclosed in Notes 1 and 8.

NOTE 7 - RELATED PARTY and PARTY-in-INTEREST TRANSACTIONS

The Plan invests in Sponsor Company common stock and has indebtedness to the Company (Note 8). These are allowable related party and party-in-interest transactions. The Plan also has a number of service providers which are considered parties-in-interest under ERISA.

NOTE 8 - NOTE PAYABLE

On January 31, 2023, the Plan entered into a $70,000,000 note payable with the Plan Sponsor. The proceeds of the loan were used to purchase Sponsor Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. Total debt service payments for the years ended December 31, 2024 and 2023 were $3,969,835 and $3,741,539, respectively. Total shares released during the years ended December 31, 2024 and 2023 were 3,340 and 3,148, respectively.

The agreement provides for the loan to be repaid over 30 years. The outstanding principal on the note payable as of December 31, 2024 and 2023, was $67,387,108 and $68,718,165, respectively. The loan bears interest at a fixed rate of 3.84%. The note can be prepaid without penalty. The scheduled amortization of the loan for the next five years and thereafter is as follows:

	Interest	**Principal**	**Total**
2025	2,587,665	1,382,169	3,969,834
2026	2,534,590	1,435,245	3,969,835
2027	2,479,476	1,490,359	3,969,835
2028	2,422,246	1,547,588	3,969,834
2029	2,362,819	1,607,016	3,969,835
2030-2052	31,381,469	59,924,731	91,306,200
	43,768,265	**67,387,108**	**111,155,373**

NOTE 9 - RISKS and UNCERTAINTIES and CONCENTRATION

The Plan investments consist primarily of the Sponsor Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the values of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets (deficit) available for benefits.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 24, 2025, which represents the date the financial statements were available to be issued.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

EIN 25-1511922 Plan No. 002

Schedule H - Line 4i - SCHEDULE of ASSETS (HELD at END of YEAR)

December 31, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Sponsor Company Common Stock:			
*	Stephenson Equipment, Inc.	100,000 Shares of Common Stock, Voting	$ 70,000,000	$ 11,415,000

* Party-in-interest as defined by ERISA

See independent auditors' report.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

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Financial Statements with Supplementary Information

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Stephenson Equipment, Inc. Employee Stock Ownership Plan
Harrisburg, Pennsylvania

Opinion
We have audited the accompanying financial statements of **Stephenson Equipment, Inc. Employee Stock Ownership Plan**, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets (deficit) available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of **Stephenson Equipment, Inc. Employee Stock Ownership Plan** as of December 31, 2024 and 2023, and the changes in its net assets (deficit) available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Stephenson Equipment, Inc. Employee Stock Ownership Plan** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Stephenson Equipment, Inc. Employee Stock Ownership Plan's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Trout CPA

September 24, 2025
Lancaster, Pennsylvania

Stephenson Equipment, Inc. Employee Stock Ownership Plan

STATEMENTS of NET ASSETS (DEFICIT) AVAILABLE for BENEFITS

December 31, 2024 and 2023

	2024			2023		
	Allocated	**Unallocated**	**Total**	**Allocated**	**Unallocated**	**Total**
ASSETS						
Investments:						
Investments in Sponsor Company Common Stock, at Fair Value	$ 740,538	$ 10,674,462	$ 11,415,000	$ 173,846	$ 5,349,154	$ 5,523,000
LIABILITIES						
Note Payable	-0-	67,387,108	67,387,108	-0-	68,718,165	68,718,165
NET ASSETS (DEFICIT) AVAILABLE for BENEFITS	$ 740,538	$ (56,712,646)	$ (55,972,108)	$ 173,846	$ (63,369,011)	$ (63,195,165)

See notes to financial statements.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

STATEMENTS of CHANGES in NET ASSETS (DEFICIT) AVAILABLE for BENEFITS

Years Ended December 31, 2024 and 2023

	2024			2023		
	Allocated	**Unallocated**	**Total**	**Allocated**	**Unallocated**	**Total**
ADDITIONS						
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value Investment	$ 185,461	$ 5,706,539	$ 5,892,000	$ -0-	$ (64,477,000)	$ (64,477,000)
Employer Contributions	-0-	3,969,835	3,969,835	-0-	41,539	41,539
Allocation of 3,340 and 3,148 Shares for 2024 and 2023, Respectively of Sponsor Company Common Stock, at Fair Value	381,231	-0-	381,231	173,846	-0-	173,846
Total Additions	**566,692**	**9,676,374**	**10,243,066**	**173,846**	**(64,435,461)**	**(64,261,615)**
DEDUCTIONS						
Interest Expense	-0-	2,638,778	2,638,778	-0-	2,459,704	2,459,704
Allocation of 3,340 and 3,148 Shares for 2024 and 2023, Respectively of Sponsor Company Common Stock, at Fair Value	-0-	381,231	381,231	-0-	173,846	173,846
Total Deductions	**-0-**	**3,020,009**	**3,020,009**	**-0-**	**2,633,550**	**2,633,550**
NET INCREASE (DECREASE)	**566,692**	**6,656,365**	**7,223,057**	**173,846**	**(67,069,011)**	**(66,895,165)**
TRANSFER for DEBT SERVICE	**-0-**	**-0-**	**-0-**	**(3,700,000)**	**3,700,000**	**-0-**
NET ASSETS (DEFICIT) AVAILABLE for BENEFITS						
Beginning of Year	173,846	(63,369,011)	(63,195,165)	3,700,000	-0-	3,700,000
End of Year	**$ 740,538**	**$ (56,712,646)**	**$ (55,972,108)**	**$ 173,846**	**$ (63,369,011)**	**$ (63,195,165)**

See notes to financial statements.

NOTE 1 - DESCRIPTION of PLAN

The following description of the **Stephenson Equipment, Inc. Employee Stock Ownership Plan** (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

Stephenson Equipment, Inc. (the Company, the Plan Sponsor) established the **Stephenson Equipment, Inc. Employee Stock Ownership Plan** (the Plan) and the Stephenson Equipment, Inc. Employee Stock Ownership Plan Trust (the ESOP Trust) effective as of January 1, 2022. The Plan operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of ERISA. The Plan is administered by the ESOP Committee whose members are appointed by the Company's board of directors. The ESOP Committee is assisted in the administration of the Plan by a third-party administrator. The Plan and ESOP trust are overseen by an external trustee. The trustee is appointed by the board of directors.

Up until January 31, 2023, the Company was owned by individual shareholders. On January 31, 2023, the Company and the selling stockholders entered into an agreement whereby the Company purchased all 72,809 outstanding shares from the selling shareholders. At the same time as the stock redemption, the Company issued 100,000 shares to the Stephenson Equipment, Inc. Employee Stock Ownership Trust (ESOT) for a purchase price of $70,000,000 in exchange for a promissory note (ESOP Note) and an ESOP Loan and Pledge Agreement. The ESOT will repay the ESOP Note, which accrues interest at 3.84%, over a period of 30 years. The principal and interest payments to the Company will be funded from annual contributions by the Company into the ESOT. Annual principal and interest payments due under the ESOP Note are approximately $3,970,000 and will release approximately 3,340 shares to participant accounts annually.

Initially, the borrowing is collateralized by all 100,000 shares of common stock. As the Plan makes principal and interest payments, an appropriate percentage of shares is released from loan collateral and is allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. The Company, in its capacity as the lender, has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024 and 2023 and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

- the accounts of employees with vested rights in allocated common stock (allocated), and
- common stock not yet allocated to employees (unallocated).

Eligibility

Employees of the Company are generally eligible to participate in the Plan after they worked at least 1,000 hours during such Plan year and attaining age 18. Plan entrance dates are January 1 and July 1.

Participants who do not have at least 1,000 hours of service during a Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions and/or forfeitures for such year. Those who have reached retirement age are eligible for an allocation of Company contributions even if they are not employed on the last day of year.

NOTE 1 - DESCRIPTION of PLAN (Continued)

Contributions
The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. The Company may elect to contribute additional amounts at the discretion of its board of directors. Employee contributions are not permitted.

Participant Accounts
The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Sponsor Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Eligible employees, if applicable, will also receive an allocation of additional employer cash contributions. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance. At times, cash balances in participant accounts may be exchanged for common stock shares from other participant accounts to facilitate distributions.

Vesting
If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company beginning with the Plan's effective date. Participants vest 20 percent per year of service commencing with the second year of service and are 100 percent vested after six years of service.

Payment of Benefits
Upon retirement, disability, or death, the participant's account may be paid in the plan year following severance of employment. Otherwise, the participant's account may be paid in the plan year after the end of the fifth plan year following the year in which the severance of employment occurs. A participant will receive distributions of his/her account in five annual installments. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash or, if the Company elects, in the form of Sponsor Company common stock. Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

Administrative Expenses
Administrative expenses may be paid either by the Plan or by the Company. The Company is currently paying all the operating expenses for the Plan. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan.

Voting Rights
The trustee votes all shares of Company stock held by the Plan with respect to all corporate matters upon which Company shareholders are entitled or permitted to vote. Each participant is entitled to direct the trustee as to voting of shares of Company stock held in his/her account for the approval or disapproval of certain corporate matters required by regulation. The ESOP Committee will direct the Trustee's voting with respect to allocated shares for which no direction is received and with respect to unallocated shares. The ESOP Committee will direct the Trustee with respect to the voting of Company Stock in all matters that do not require the vote of participants by regulation.

NOTE 1 - DESCRIPTION of PLAN (Continued)

Put Option
Under federal income tax regulations, the Plan Sponsor stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification
Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Sponsor Company common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a 6-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeitures
Plan forfeitures are allocated to each participant’s account based upon the relation of the participant’s compensation to total compensation for the Plan year. Forfeitures withheld and reallocated for the years ended December 31, 2024 and 2023 were $413 and $11,702, respectively.

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC) as set forth by the Financial Accounting Standards Board (FASB).

Use of Estimates
The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Significant estimates used in the preparation of these financial statements relate to the valuation of investments and changes therein. See Note 6 for discussion of fair value measurements.

Allocations
The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocations (Continued)
The Company contribution to the ESOP of $3,700,000 during the year ended December 31, 2022 was applied to debt service during 2023. This is reported as a transfer from the allocated accounts to the unallocated accounts on the statements of changes in net assets (deficit) available for benefits.

Investment Valuation and Income Recognition
The shares of Sponsor Company common stock are valued at fair value. See Note 6 for discussion of fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits
Benefits are recorded when paid.

NOTE 3 - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated July 1, 2025, stating that the Plan, as amended, is qualified under the (IRC) and, therefore, the related trust is exempt from taxation. The Plan document has been amended since receiving the determination letter. The Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore believes that the Plan is qualified and the related trust tax-exempt as of the financial statement date.

US GAAP requires Plan Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 4 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the ESOP Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

NOTE 5 - NONPARTICIPANT-DIRECTED INVESTMENTS

The Plan's investments, at December 31, 2024 and 2023, are presented in the following tables. These investments are not participant directed.

	December 31,			
	2024		2023	
	Allocated	**Unallocated**	**Allocated**	**Unallocated**
Stephenson Equipment, Inc. Common Stock				
Number of Shares	6,488	93,512	3,148	96,852
Cost	4,541,600	65,458,400	2,203,600	67,796,400
Fair Value	740,538	10,674,462	173,846	5,349,154

NOTE 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurement,* are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2024 and 2023.

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

Sponsor Company Common Stock

The fair value of the Sponsor Company common stock held by the Plan is valued at estimated fair value based upon an independent appraisal. This appraisal was based on a combination of the income approach (discounted cash flows) and of the market approach (guideline public company and guideline transaction methods).

The resulting unadjusted value was decreased for a marketability discount.

Significant inputs to the valuation included (1) Plan Sponsor internal documents such as budgets, projections, and other management reports, (2) audited financial statements of the Plan Sponsor, (3) information derived from inquiries, (4) the results of real estate appraisals, and (5) economic and industry outlook.

The ESOP Trustee determines the fair value measurement policies and procedures in consultation with various internal and external resources. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information. Significant unobservable inputs for the income approach included the determination of the weighted average cost of capital and the long-term growth rate. Significant inputs for the market approach included the utilization of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) multiples and size premiums or discounts. The selection of the lack of marketability discounts and the real estate valuations are also significant unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 and 2023:

	Assets at Fair Value as of December 31,			
	2024		2023	
	Level 3	Total	Level 3	Total
Investment in Stephenson Equipment, Inc. Common Stock	11,415,000	11,415,000	5,523,000	5,523,000

During the year ended December 31, 2023, the Plan purchased Sponsor Company common stock, which is considered a Level 3 investment, as further disclosed in Notes 1 and 8.

NOTE 7 - RELATED PARTY and PARTY-in-INTEREST TRANSACTIONS

The Plan invests in Sponsor Company common stock and has indebtedness to the Company (Note 8). These are allowable related party and party-in-interest transactions. The Plan also has a number of service providers which are considered parties-in-interest under ERISA.

NOTE 8 - NOTE PAYABLE

On January 31, 2023, the Plan entered into a $70,000,000 note payable with the Plan Sponsor. The proceeds of the loan were used to purchase Sponsor Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. Total debt service payments for the years ended December 31, 2024 and 2023 were $3,969,835 and $3,741,539, respectively. Total shares released during the years ended December 31, 2024 and 2023 were 3,340 and 3,148, respectively.

The agreement provides for the loan to be repaid over 30 years. The outstanding principal on the note payable as of December 31, 2024 and 2023, was $67,387,108 and $68,718,165, respectively. The loan bears interest at a fixed rate of 3.84%. The note can be prepaid without penalty. The scheduled amortization of the loan for the next five years and thereafter is as follows:

	Interest	**Principal**	**Total**
2025	2,587,665	1,382,169	3,969,834
2026	2,534,590	1,435,245	3,969,835
2027	2,479,476	1,490,359	3,969,835
2028	2,422,246	1,547,588	3,969,834
2029	2,362,819	1,607,016	3,969,835
2030-2052	31,381,469	59,924,731	91,306,200
	43,768,265	**67,387,108**	**111,155,373**

NOTE 9 - RISKS and UNCERTAINTIES and CONCENTRATION

The Plan investments consist primarily of the Sponsor Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the values of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets (deficit) available for benefits.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 24, 2025, which represents the date the financial statements were available to be issued.

Stephenson Equipment, Inc. Employee Stock Ownership Plan

EIN 25-1511922 Plan No. 002

Schedule H - Line 4i - SCHEDULE of ASSETS (HELD at END of YEAR)

December 31, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Sponsor Company Common Stock:			
*	Stephenson Equipment, Inc.	100,000 Shares of Common Stock, Voting	$ 70,000,000	$ 11,415,000

* Party-in-interest as defined by ERISA

See independent auditors' report.