

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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.	OMB Nos. 1210-0110 1210-0089 2024 This Form is Open to Public Inspection
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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.) ☒ 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: ☒ 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 SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/2021
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) SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. 4740 DAVIE ROAD DAVIE, FL 33314
2b	Employer Identification Number (EIN) 65-0733326
2c	Plan Sponsor's telephone number 954-327-3686
2d	Business code (see instructions) 238220

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	TIMOTHY O'BRIEN
	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 ☒ 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	5 231
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 154 6a(2) 188 6b 0 6c 85 6d 273 6e 1 6f 274 6g(1) 215 6g(2) 274 6h 26
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:

2P 2Q

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) ☒ 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) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ **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) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information 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.	OMB No. 1210-0110 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 SPRINKLERMATIC FIRE PROTECTION SYSTEMS, 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 SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC.	D Employer Identification Number (EIN) 65-0733326	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	7462500	8647500
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	7462500	8647500
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	30967068	29559474
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	30967068	29559474
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	-23504568	-20911974

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)	1832089	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1832089
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	1185000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		3017089

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		424495
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Recordkeeping fees	2i(3)	0	
(4) IQPA audit fees	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	0	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(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		424495

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2592594
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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) ☒ 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) ☐ 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: **FUOCO GROUP**

(2) EIN: **20-8022284**

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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☐ 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information 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.		OMB No. 1210-0110 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 SPRINKLERMATIC FIRE PROTECTION SYSTEMS, 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 SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC.				D Employer Identification Number (EIN) 65-0733326	
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	
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					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2024 v. 240311	

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_____.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2024 AND 2023

**SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
Sprinklermatic Fire Protection Systems, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the financial statements of Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan (the 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 statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024 and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended December 31, 2024, 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. 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 Sprinklermatic Fire Protection Systems, 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 Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are issued or 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.

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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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

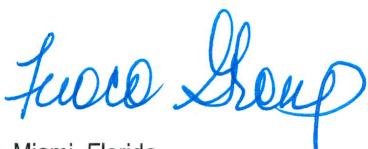
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 13, Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of and for the year ended 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 generally accepted auditing standards.

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



Miami, Florida
October 6, 2025

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2024 AND 2023

	2024		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,677,818	\$ 6,969,682	\$ 8,647,500
Total assets	1,677,818	6,969,682	8,647,500
LIABILITIES			
Notes payable	-	29,559,474	29,559,474
Net assets (deficit) available for benefits	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>
	2023		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,137,659	\$ 6,324,841	\$ 7,462,500
Total assets	1,137,659	6,324,841	7,462,500
LIABILITIES			
Notes payable	-	30,967,068	30,967,068
Net assets (deficit) available for benefits	<u>\$ 1,137,659</u>	<u>\$ (24,642,227)</u>	<u>\$ (23,504,568)</u>

See independent auditors' report and notes to financial statements

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 1,832,089	\$ 1,832,089
Net appreciation in fair value of investment	180,654	1,004,346	1,185,000
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	359,505	-	359,505
Total additions	540,159	2,836,435	3,376,594
DEDUCTIONS			
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	-	359,505	359,505
Interest expense	-	424,495	424,495
Total deductions	-	784,000	784,000
Net increase	540,159	2,052,435	2,592,594
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS			
Beginning of year	1,137,659	(24,642,227)	(23,504,568)
End of year	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN

The following brief description of the Sprinklermatic Fire Protection Systems, Inc Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. The Company’s corporate offices are located in Davie, Florida.

General – Sprinklermatic Fire Protection Systems, Inc. (the “Sponsor” or “Company”) established the Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan effective as of January 1, 2021, to permit eligible employees to share in the growth of the Company. The Plan operates, 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 the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the ESOP Administration Committee (“Administrator”) comprised of persons appointed by the Sponsor’s Board of Directors. An independent third-party is the Plan’s trustee.

On December 23, 2021, The Plan purchased 375,000 shares of Sprinklermatic Fire Protection Systems, Inc. common stock using the proceeds from notes payable to the former stockholder’s amounting to \$36,392,534 and holds the common stock in a trust established under the Plan. This note was refinanced on January 14, 2022 (see Note 5). The borrowings are to be repaid by fully deductible Sponsor contributions to the trust fund over a period of 25 years, as determined in the loan agreement. As the Plan makes each payment of principal and interest, as required, an appropriate percentage of stock will be allocated to eligible employees’ accounts in accordance with applicable regulations under the IRC.

The borrowings are collateralized by the unallocated shares of common stock and are guaranteed by the Company. 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 and for the years ended December 31, 2024 and 2023, present separately the assets and liabilities and changes therein pertaining to:

1. The accounts of employees with rights in allocated common stock (allocated), and
2. Common stock not yet allocated to employees (unallocated).

Eligibility - Employees of the Sponsor, other than union and leased employees, who have attained age 21 and completed one year of service are eligible to participate in the Plan. Eligible employees may enter the Plan on the first day of the Plan year or the first day of the 7th month of the Plan year coinciding with or the next following date of satisfying the eligibility requirements.

Contributions – The Sponsor is obligated to make contributions in cash to the Plan which, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions are not permitted.

Payment of Benefits – Participants are entitled to receive a distribution of the vested portion of their account balance upon termination of employment (termination, retirement, disability, death, etc.). Distribution of a participant’s benefits are paid in cash or stock of the Sponsor. Plan participants who receive their distribution in the form of stock are also issued a put right whereby the Sponsor, and not the Plan, are required to repurchase their shares at the estimated fair value as of the most recent valuation date.

Under the provisions of the Plan, the Sponsor 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 – As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Sponsor. For the year ended December 31, 2024 the Sponsor has paid the operating expenses for the Plan.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Voting Rights - In certain situations, as defined by the Plan, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such voting rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

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'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 Sponsor as of the last day of the Plan year will receive an allocation. Allocations are based on participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting – If a participant's employment with the Sponsor ends for any reason other than retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Sponsor. Participants vest after two years of service at a rate of 20 percent per year and are 100 percent vested after six years of service.

Put Option - Under federal income tax regulations, the employer 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 value of the stock. The Trustee may be permitted by the Company to purchase Company stock put to the Company under a put option. The Company can pay for the purchase with interest over a period of five years or in a lump sum. 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 their investment in Sponsor common stock into investments that are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent, less any shares previously diversified. Participants who elect to diversify may transfer the cash value of shares allocated to his or her account to an eligible retirement plan or by having such value distributed to the participant in cash. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participants account at year-end.

Forfeitures – Plan forfeitures will be added to the Employer Contribution unless such forfeitures are used by the Company to pay Plan expenses. Amounts deemed as forfeitures are available for use upon the Participant's fifth consecutive one year break in service. At December 31, 2024 and 2023, 15,274.3912 shares and 7,659.4477 shares, respectively are allocated to terminated participants.

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 ("GAAP").

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and change therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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.

Investment Valuation and Income Recognition

The shares of Sponsor common stock are valued at fair value. See Note 4 for discussion of fair value measurements.

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.

Subsequent Events

Plan management has evaluated subsequent events through October 6, 2025, the date the financial statements were available to be issued.

NOTE 3 – INVESTMENTS

The Plan's investment in Company common stock at December 31, is as follows:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Sprinklermatic Fire Protection Services, Inc. common stock:				
Number of shares	72,759	302,241	57,169	317,831
Cost	\$ 7,061,007	\$ 29,331,527	\$ 5,548,048	\$ 30,844,486
Estimated fair value	\$ 1,677,818	\$ 6,969,682	\$ 1,137,659	\$ 6,324,841

The fair value of the Sponsor's common stock is \$23.06 and \$19.90 per share as of December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC No. 820 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value of December 31:

The Plan's investments measured at fair value on a recurring basis as of December 31, 2024 and 2023 are as follows:

Assets at Fair Value as of December 31,				
	2024		2023	
	Level 3	Total	Level 3	Total
Investment in Sprinklermatic Fire Protection Services, Inc.				
common stock	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500
Total investments at fair value	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	2024	2023
Balance, beginning of year	\$ 7,462,500	\$ 8,010,000
Unrealized appreciation/(depreciation) in estimated fair value	1,185,000	(547,500)
Balance, end of year	\$ 8,647,500	\$ 7,462,500

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

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

The Sprinklermatic Fire Protection Systems, Inc. common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon a combination of the market and income techniques consistent with prior years as illustrated in the following table:

Instrument	Fair Value	Valuation Techniques	Unobservable Input
Sprinklermatic Fire Protection Systems, Inc. common stock	\$ 8,647,500	Earnings	EBITDA Net income Weighted average cost of capital Discount rate Discount for lack of marketability
		Market	Public comparables Revenue multiple EBITDA multiple Discount for lack of marketability

The valuation process involves the Company's selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a preliminary report of estimated per share value that a participant will receive upon distribution which the Plan trustee, along with Plan management, reviews in detail, discusses and approves.

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.

NOTE 5 – NOTES PAYABLE

Notes payable to the former stockholders of the Company requires annual payments of \$1,407,594 plus interest at 1.86% with a term of 25 years and matures December 2046. 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 the year's payments, plus all future years' principal and interest payments. This resulted in 15,589.993726 and 16,663.609812 shares being released and allocated for the Plan years ended December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – NOTES PAYABLE (CONTINUED)

As of December 31, 2024, future principal payments under the notes are approximately as follows:

Year ending December 31:

2025	\$	1,407,594
2026		1,407,594
2027		1,407,594
2028		1,407,594
2029		1,407,597
Thereafter		22,521,501
	\$	<u>29,559,474</u>

Interest expense for the year ended December 31, 2024 was \$424,495.

NOTE 6 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan's investment in the Company common stock and the notes payable qualify as party-in-interest transactions. The Plan also has a number of service providers that qualify as parties-in-interest under ERISA. Certain employees of the Company provide services to the Plan and are not reimbursed for their services from the Plan. Certain other administrative expenses are paid by the Company on behalf of the Plan.

NOTE 7 – 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 Administration 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 8 – TAX STATUS

The Plan has received a determination letter from the IRS dated March 2, 2023, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes that the Plan is currently designed and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability of the organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan investments consist of the 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 other techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported herein the statements of net assets (deficit) available for benefits.

SUPPLEMENTAL SCHEDULE

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2024
EIN: 65-0733326 PLAN NUMBER: 002

(a)*	(b) Identity of Issuer, Borrower, or Similar Party	(c) Description of Investment	(d) Cost**	(e) Current Value
* Sprinklermatic Fire Protection Systems, Inc. common stock 72,758.8119 allocated shares		Sponsor Company Common Stock	\$ 7,061,007	\$ 1,677,818
* Sprinklermatic Fire Protection Systems, Inc. common stock 302,241.1881 unallocated shares		Sponsor Company Common Stock	29,331,527	6,969,682
			<u>\$ 36,392,534</u>	<u>\$ 8,647,500</u>

* A party-in-interest as defined by ERISA.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2024 AND 2023

**SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
Sprinklermatic Fire Protection Systems, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the financial statements of Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan (the 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 statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024 and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended December 31, 2024, 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. 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 Sprinklermatic Fire Protection Systems, 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 Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are issued or 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.

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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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

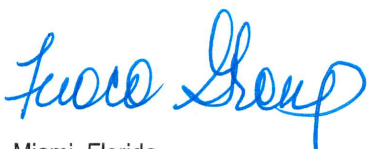
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 13, Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of and for the year ended 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 generally accepted auditing standards.

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



Miami, Florida
October 6, 2025

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2024 AND 2023

	2024		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,677,818	\$ 6,969,682	\$ 8,647,500
Total assets	1,677,818	6,969,682	8,647,500
LIABILITIES			
Notes payable	-	29,559,474	29,559,474
Net assets (deficit) available for benefits	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>
	2023		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,137,659	\$ 6,324,841	\$ 7,462,500
Total assets	1,137,659	6,324,841	7,462,500
LIABILITIES			
Notes payable	-	30,967,068	30,967,068
Net assets (deficit) available for benefits	<u>\$ 1,137,659</u>	<u>\$ (24,642,227)</u>	<u>\$ (23,504,568)</u>

See independent auditors' report and notes to financial statements

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 1,832,089	\$ 1,832,089
Net appreciation in fair value of investment	180,654	1,004,346	1,185,000
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	<u>359,505</u>	<u>-</u>	<u>359,505</u>
Total additions	<u>540,159</u>	<u>2,836,435</u>	<u>3,376,594</u>
DEDUCTIONS			
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	-	359,505	359,505
Interest expense	<u>-</u>	<u>424,495</u>	<u>424,495</u>
Total deductions	<u>-</u>	<u>784,000</u>	<u>784,000</u>
Net increase	540,159	2,052,435	2,592,594
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS			
Beginning of year	<u>1,137,659</u>	<u>(24,642,227)</u>	<u>(23,504,568)</u>
End of year	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN

The following brief description of the Sprinklermatic Fire Protection Systems, Inc Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. The Company’s corporate offices are located in Davie, Florida.

General – Sprinklermatic Fire Protection Systems, Inc. (the “Sponsor” or “Company”) established the Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan effective as of January 1, 2021, to permit eligible employees to share in the growth of the Company. The Plan operates, 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 the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the ESOP Administration Committee (“Administrator”) comprised of persons appointed by the Sponsor’s Board of Directors. An independent third-party is the Plan’s trustee.

On December 23, 2021, The Plan purchased 375,000 shares of Sprinklermatic Fire Protection Systems, Inc. common stock using the proceeds from notes payable to the former stockholder’s amounting to \$36,392,534 and holds the common stock in a trust established under the Plan. This note was refinanced on January 14, 2022 (see Note 5). The borrowings are to be repaid by fully deductible Sponsor contributions to the trust fund over a period of 25 years, as determined in the loan agreement. As the Plan makes each payment of principal and interest, as required, an appropriate percentage of stock will be allocated to eligible employees’ accounts in accordance with applicable regulations under the IRC.

The borrowings are collateralized by the unallocated shares of common stock and are guaranteed by the Company. 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 and for the years ended December 31, 2024 and 2023, present separately the assets and liabilities and changes therein pertaining to:

1. The accounts of employees with rights in allocated common stock (allocated), and
2. Common stock not yet allocated to employees (unallocated).

Eligibility - Employees of the Sponsor, other than union and leased employees, who have attained age 21 and completed one year of service are eligible to participate in the Plan. Eligible employees may enter the Plan on the first day of the Plan year or the first day of the 7th month of the Plan year coinciding with or the next following date of satisfying the eligibility requirements.

Contributions – The Sponsor is obligated to make contributions in cash to the Plan which, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions are not permitted.

Payment of Benefits – Participants are entitled to receive a distribution of the vested portion of their account balance upon termination of employment (termination, retirement, disability, death, etc.). Distribution of a participant’s benefits are paid in cash or stock of the Sponsor. Plan participants who receive their distribution in the form of stock are also issued a put right whereby the Sponsor, and not the Plan, are required to repurchase their shares at the estimated fair value as of the most recent valuation date.

Under the provisions of the Plan, the Sponsor 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 – As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Sponsor. For the year ended December 31, 2024 the Sponsor has paid the operating expenses for the Plan.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Voting Rights - In certain situations, as defined by the Plan, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such voting rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

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'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 Sponsor as of the last day of the Plan year will receive an allocation. Allocations are based on participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting – If a participant's employment with the Sponsor ends for any reason other than retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Sponsor. Participants vest after two years of service at a rate of 20 percent per year and are 100 percent vested after six years of service.

Put Option - Under federal income tax regulations, the employer 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 value of the stock. The Trustee may be permitted by the Company to purchase Company stock put to the Company under a put option. The Company can pay for the purchase with interest over a period of five years or in a lump sum. 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 their investment in Sponsor common stock into investments that are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent, less any shares previously diversified. Participants who elect to diversify may transfer the cash value of shares allocated to his or her account to an eligible retirement plan or by having such value distributed to the participant in cash. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participants account at year-end.

Forfeitures – Plan forfeitures will be added to the Employer Contribution unless such forfeitures are used by the Company to pay Plan expenses. Amounts deemed as forfeitures are available for use upon the Participant's fifth consecutive one year break in service. At December 31, 2024 and 2023, 15,274.3912 shares and 7,659.4477 shares, respectively are allocated to terminated participants.

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 ("GAAP").

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and change therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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.

Investment Valuation and Income Recognition

The shares of Sponsor common stock are valued at fair value. See Note 4 for discussion of fair value measurements.

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.

Subsequent Events

Plan management has evaluated subsequent events through October 6, 2025, the date the financial statements were available to be issued.

NOTE 3 – INVESTMENTS

The Plan's investment in Company common stock at December 31, is as follows:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Sprinklermatic Fire Protection Services, Inc. common stock:				
Number of shares	72,759	302,241	57,169	317,831
Cost	\$ 7,061,007	\$ 29,331,527	\$ 5,548,048	\$ 30,844,486
Estimated fair value	\$ 1,677,818	\$ 6,969,682	\$ 1,137,659	\$ 6,324,841

The fair value of the Sponsor's common stock is \$23.06 and \$19.90 per share as of December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC No. 820 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value of December 31:

The Plan's investments measured at fair value on a recurring basis as of December 31, 2024 and 2023 are as follows:

Assets at Fair Value as of December 31,				
	2024		2023	
	Level 3	Total	Level 3	Total
Investment in Sprinklermatic Fire Protection Services, Inc.				
common stock	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500
Total investments at fair value	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	2024	2023
Balance, beginning of year	\$ 7,462,500	\$ 8,010,000
Unrealized appreciation/(depreciation) in estimated fair value	1,185,000	(547,500)
Balance, end of year	\$ 8,647,500	\$ 7,462,500

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

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

The Sprinklermatic Fire Protection Systems, Inc. common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon a combination of the market and income techniques consistent with prior years as illustrated in the following table:

Instrument	Fair Value	Valuation Techniques	Unobservable Input
Sprinklermatic Fire Protection Systems, Inc. common stock	\$ 8,647,500	Earnings	EBITDA Net income Weighted average cost of capital Discount rate Discount for lack of marketability
		Market	Public comparables Revenue multiple EBITDA multiple Discount for lack of marketability

The valuation process involves the Company's selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a preliminary report of estimated per share value that a participant will receive upon distribution which the Plan trustee, along with Plan management, reviews in detail, discusses and approves.

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.

NOTE 5 – NOTES PAYABLE

Notes payable to the former stockholders of the Company requires annual payments of \$1,407,594 plus interest at 1.86% with a term of 25 years and matures December 2046. 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 the year's payments, plus all future years' principal and interest payments. This resulted in 15,589.993726 and 16,663.609812 shares being released and allocated for the Plan years ended December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – NOTES PAYABLE (CONTINUED)

As of December 31, 2024, future principal payments under the notes are approximately as follows:

Year ending December 31:

2025	\$	1,407,594
2026		1,407,594
2027		1,407,594
2028		1,407,594
2029		1,407,597
Thereafter		22,521,501
	\$	<u>29,559,474</u>

Interest expense for the year ended December 31, 2024 was \$424,495.

NOTE 6 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan's investment in the Company common stock and the notes payable qualify as party-in-interest transactions. The Plan also has a number of service providers that qualify as parties-in-interest under ERISA. Certain employees of the Company provide services to the Plan and are not reimbursed for their services from the Plan. Certain other administrative expenses are paid by the Company on behalf of the Plan.

NOTE 7 – 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 Administration 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 8 – TAX STATUS

The Plan has received a determination letter from the IRS dated March 2, 2023, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes that the Plan is currently designed and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability of the organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan investments consist of the 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 other techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported herein the statements of net assets (deficit) available for benefits.

SUPPLEMENTAL SCHEDULE

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2024
EIN: 65-0733326 PLAN NUMBER: 002

(a)*	(b) Identity of Issuer, Borrower, or Similar Party	(c) Description of Investment	(d) Cost**	(e) Current Value
* Sprinklermatic Fire Protection Systems, Inc. common stock 72,758.8119 allocated shares		Sponsor Company Common Stock	\$ 7,061,007	\$ 1,677,818
* Sprinklermatic Fire Protection Systems, Inc. common stock 302,241.1881 unallocated shares		Sponsor Company Common Stock	29,331,527	6,969,682
			<u>\$ 36,392,534</u>	<u>\$ 8,647,500</u>

* A party-in-interest as defined by ERISA.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2024 AND 2023

**SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
Sprinklermatic Fire Protection Systems, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the financial statements of Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan (the 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 statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024 and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended December 31, 2024, 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. 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 Sprinklermatic Fire Protection Systems, 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

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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 Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are issued or available to be issued.

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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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

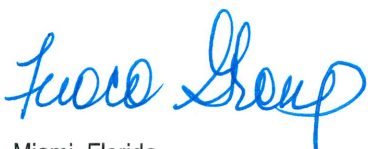
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 13, Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of and for the year ended 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 generally accepted auditing standards.

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



Miami, Florida
October 6, 2025

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2024 AND 2023

	2024		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,677,818	\$ 6,969,682	\$ 8,647,500
Total assets	1,677,818	6,969,682	8,647,500
LIABILITIES			
Notes payable	-	29,559,474	29,559,474
Net assets (deficit) available for benefits	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>
	2023		
	Allocated	Unallocated	Total
ASSETS			
Investment in Sprinklermatic Fire Protection Systems, Inc. common stock, at fair value	\$ 1,137,659	\$ 6,324,841	\$ 7,462,500
Total assets	1,137,659	6,324,841	7,462,500
LIABILITIES			
Notes payable	-	30,967,068	30,967,068
Net assets (deficit) available for benefits	<u>\$ 1,137,659</u>	<u>\$ (24,642,227)</u>	<u>\$ (23,504,568)</u>

See independent auditors' report and notes to financial statements

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 1,832,089	\$ 1,832,089
Net appreciation in fair value of investment	180,654	1,004,346	1,185,000
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	<u>359,505</u>	<u>-</u>	<u>359,505</u>
Total additions	<u>540,159</u>	<u>2,836,435</u>	<u>3,376,594</u>
DEDUCTIONS			
Allocation of 15,589.9937 shares of Sprinklermatic Fire Protection Systems, Inc, common stock, at fair value	-	359,505	359,505
Interest expense	<u>-</u>	<u>424,495</u>	<u>424,495</u>
Total deductions	<u>-</u>	<u>784,000</u>	<u>784,000</u>
Net increase	540,159	2,052,435	2,592,594
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS			
Beginning of year	<u>1,137,659</u>	<u>(24,642,227)</u>	<u>(23,504,568)</u>
End of year	<u>\$ 1,677,818</u>	<u>\$ (22,589,792)</u>	<u>\$ (20,911,974)</u>

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN

The following brief description of the Sprinklermatic Fire Protection Systems, Inc Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. The Company’s corporate offices are located in Davie, Florida.

General – Sprinklermatic Fire Protection Systems, Inc. (the “Sponsor” or “Company”) established the Sprinklermatic Fire Protection Systems, Inc. Employee Stock Ownership Plan effective as of January 1, 2021, to permit eligible employees to share in the growth of the Company. The Plan operates, 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 the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the ESOP Administration Committee (“Administrator”) comprised of persons appointed by the Sponsor’s Board of Directors. An independent third-party is the Plan’s trustee.

On December 23, 2021, The Plan purchased 375,000 shares of Sprinklermatic Fire Protection Systems, Inc. common stock using the proceeds from notes payable to the former stockholder’s amounting to \$36,392,534 and holds the common stock in a trust established under the Plan. This note was refinanced on January 14, 2022 (see Note 5). The borrowings are to be repaid by fully deductible Sponsor contributions to the trust fund over a period of 25 years, as determined in the loan agreement. As the Plan makes each payment of principal and interest, as required, an appropriate percentage of stock will be allocated to eligible employees’ accounts in accordance with applicable regulations under the IRC.

The borrowings are collateralized by the unallocated shares of common stock and are guaranteed by the Company. 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 and for the years ended December 31, 2024 and 2023, present separately the assets and liabilities and changes therein pertaining to:

1. The accounts of employees with rights in allocated common stock (allocated), and
2. Common stock not yet allocated to employees (unallocated).

Eligibility - Employees of the Sponsor, other than union and leased employees, who have attained age 21 and completed one year of service are eligible to participate in the Plan. Eligible employees may enter the Plan on the first day of the Plan year or the first day of the 7th month of the Plan year coinciding with or the next following date of satisfying the eligibility requirements.

Contributions – The Sponsor is obligated to make contributions in cash to the Plan which, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions are not permitted.

Payment of Benefits – Participants are entitled to receive a distribution of the vested portion of their account balance upon termination of employment (termination, retirement, disability, death, etc.). Distribution of a participant’s benefits are paid in cash or stock of the Sponsor. Plan participants who receive their distribution in the form of stock are also issued a put right whereby the Sponsor, and not the Plan, are required to repurchase their shares at the estimated fair value as of the most recent valuation date.

Under the provisions of the Plan, the Sponsor 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 – As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Sponsor. For the year ended December 31, 2024 the Sponsor has paid the operating expenses for the Plan.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Voting Rights - In certain situations, as defined by the Plan, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such voting rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

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'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 Sponsor as of the last day of the Plan year will receive an allocation. Allocations are based on participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting – If a participant's employment with the Sponsor ends for any reason other than retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Sponsor. Participants vest after two years of service at a rate of 20 percent per year and are 100 percent vested after six years of service.

Put Option - Under federal income tax regulations, the employer 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 value of the stock. The Trustee may be permitted by the Company to purchase Company stock put to the Company under a put option. The Company can pay for the purchase with interest over a period of five years or in a lump sum. 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 their investment in Sponsor common stock into investments that are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent, less any shares previously diversified. Participants who elect to diversify may transfer the cash value of shares allocated to his or her account to an eligible retirement plan or by having such value distributed to the participant in cash. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participants account at year-end.

Forfeitures – Plan forfeitures will be added to the Employer Contribution unless such forfeitures are used by the Company to pay Plan expenses. Amounts deemed as forfeitures are available for use upon the Participant's fifth consecutive one year break in service. At December 31, 2024 and 2023, 15,274.3912 shares and 7,659.4477 shares, respectively are allocated to terminated participants.

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 ("GAAP").

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and change therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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.

Investment Valuation and Income Recognition

The shares of Sponsor common stock are valued at fair value. See Note 4 for discussion of fair value measurements.

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.

Subsequent Events

Plan management has evaluated subsequent events through October 6, 2025, the date the financial statements were available to be issued.

NOTE 3 – INVESTMENTS

The Plan's investment in Company common stock at December 31, is as follows:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Sprinklermatic Fire Protection Services, Inc. common stock:				
Number of shares	72,759	302,241	57,169	317,831
Cost	\$ 7,061,007	\$ 29,331,527	\$ 5,548,048	\$ 30,844,486
Estimated fair value	\$ 1,677,818	\$ 6,969,682	\$ 1,137,659	\$ 6,324,841

The fair value of the Sponsor's common stock is \$23.06 and \$19.90 per share as of December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC No. 820 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value of December 31:

The Plan's investments measured at fair value on a recurring basis as of December 31, 2024 and 2023 are as follows:

Assets at Fair Value as of December 31,				
	2024		2023	
	Level 3	Total	Level 3	Total
Investment in Sprinklermatic Fire Protection Services, Inc.				
common stock	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500
Total investments at fair value	\$ 8,647,500	\$ 8,647,500	\$ 7,462,500	\$ 7,462,500

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	2024	2023
Balance, beginning of year	\$ 7,462,500	\$ 8,010,000
Unrealized appreciation/(depreciation) in estimated fair value	1,185,000	(547,500)
Balance, end of year	\$ 8,647,500	\$ 7,462,500

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

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

The Sprinklermatic Fire Protection Systems, Inc. common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon a combination of the market and income techniques consistent with prior years as illustrated in the following table:

Instrument	Fair Value	Valuation Techniques	Unobservable Input
Sprinklermatic Fire Protection Systems, Inc. common stock	\$ 8,647,500	Earnings	EBITDA Net income Weighted average cost of capital Discount rate Discount for lack of marketability
		Market	Public comparables Revenue multiple EBITDA multiple Discount for lack of marketability

The valuation process involves the Company's selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a preliminary report of estimated per share value that a participant will receive upon distribution which the Plan trustee, along with Plan management, reviews in detail, discusses and approves.

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.

NOTE 5 – NOTES PAYABLE

Notes payable to the former stockholders of the Company requires annual payments of \$1,407,594 plus interest at 1.86% with a term of 25 years and matures December 2046. 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 the year's payments, plus all future years' principal and interest payments. This resulted in 15,589.993726 and 16,663.609812 shares being released and allocated for the Plan years ended December 31, 2024 and 2023, respectively.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – NOTES PAYABLE (CONTINUED)

As of December 31, 2024, future principal payments under the notes are approximately as follows:

Year ending December 31:

2025	\$	1,407,594
2026		1,407,594
2027		1,407,594
2028		1,407,594
2029		1,407,597
Thereafter		22,521,501
	\$	<u>29,559,474</u>

Interest expense for the year ended December 31, 2024 was \$424,495.

NOTE 6 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan's investment in the Company common stock and the notes payable qualify as party-in-interest transactions. The Plan also has a number of service providers that qualify as parties-in-interest under ERISA. Certain employees of the Company provide services to the Plan and are not reimbursed for their services from the Plan. Certain other administrative expenses are paid by the Company on behalf of the Plan.

NOTE 7 – 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 Administration 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 8 – TAX STATUS

The Plan has received a determination letter from the IRS dated March 2, 2023, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes that the Plan is currently designed and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability of the organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. ESOP

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan investments consist of the 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 other techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported herein the statements of net assets (deficit) available for benefits.

SUPPLEMENTAL SCHEDULE

SPRINKLERMATIC FIRE PROTECTION SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2024
EIN: 65-0733326 PLAN NUMBER: 002

(a)*	(b) Identity of Issuer, Borrower, or Similar Party	(c) Description of Investment	(d) Cost**	(e) Current Value
* Sprinklermatic Fire Protection Systems, Inc. common stock 72,758.8119 allocated shares		Sponsor Company Common Stock	\$ 7,061,007	\$ 1,677,818
* Sprinklermatic Fire Protection Systems, Inc. common stock 302,241.1881 unallocated shares		Sponsor Company Common Stock	29,331,527	6,969,682
			<u>\$ 36,392,534</u>	<u>\$ 8,647,500</u>

* A party-in-interest as defined by ERISA.