

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

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 <u>PHOENIX INTERNATIONAL HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u>
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) <u>PHOENIX INTERNATIONAL HOLDINGS, INC</u> <u>9301 LARGO DRIVE WEST</u> <u>LARGO, MD 20774</u>	1c Effective date of plan <u>11/15/2007</u> 2b Employer Identification Number (EIN) <u>26-1426514</u> 2c Plan Sponsor's telephone number <u>301-341-7800</u> 2d Business code (see instructions) <u>238900</u>

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.	10/14/2025	SHEILA THOMAS
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024)
v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	179
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)	148
	6a(2)	140
	6b	1
	6c	24
	6d	165
	6e	1
	6f	166
	6g(1)	171
6g(2)	163	
6h	5	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 2Q

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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

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

a Pension Schedules

- (1) **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 0
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

**SCHEDULE H
(Form 5500)**

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 PHOENIX INTERNATIONAL HOLDINGS, 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 PHOENIX INTERNATIONAL HOLDINGS, INC		D Employer Identification Number (EIN) 26-1426514	

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	19375	19375
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	11494204	21304772
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	11513579	21324147
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	18380432	16629605
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	18380432	16629605
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	-6866853	4694542

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)	2455066	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		2455066
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	10097722	
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		12552788

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	288042	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		288042
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		703351
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		991393

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		11561395
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) 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: **MATTHEWS CARTER & BOYCE**

(2) EIN: **54-1487262**

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.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 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 <u>PHOENIX INTERNATIONAL HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PHOENIX INTERNATIONAL HOLDINGS, INC</u>	D Employer Identification Number (EIN) <u>26-1426514</u>	

Part I	Distributions
---------------	----------------------

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

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

1		0
---	--	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 33-6134835

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

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

3	
---	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

11 a Does the ESOP hold any preferred stock? Yes No

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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 _____.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023



Strategic, Smart and **Wonderfully Human**

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

TABLE OF CONTENTS

DECEMBER 31, 2024 AND 2023

	Page
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5-14
Supplemental Schedule:	
Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)	15



Independent Auditors' Report

To the Trustees of
Phoenix International Holdings, Inc,
Employee Stock Ownership Plan
Largo, Maryland

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Phoenix International Holdings, 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 Phoenix International Holdings, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 Phoenix International Holdings, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Phoenix International Holdings, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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

Supplemental 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 of Assets (Held at End of Year), as of December 31, 2024, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

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

Matthew, Carter and Boyce

October 10, 2025
Fairfax, Virginia

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2024 AND 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in sponsor company common stock, at fair value	\$ 12,144,416	\$ 9,160,356	\$ 21,304,772	\$ 6,066,862	\$ 5,427,342	\$ 11,494,204
Cash - money market account	19,375	-	19,375	19,375	-	19,375
Total Assets	<u>\$ 12,163,791</u>	<u>\$ 9,160,356</u>	<u>\$ 21,324,147</u>	<u>\$ 6,086,237</u>	<u>\$ 5,427,342</u>	<u>\$ 11,513,579</u>
LIABILITIES:						
Note payable	\$ -	\$ 16,629,605	\$ 16,629,605	\$ -	\$ 18,380,432	\$ 18,380,432
Total Liabilities	<u>\$ -</u>	<u>\$ 16,629,605</u>	<u>\$ 16,629,605</u>	<u>\$ -</u>	<u>\$ 18,380,432</u>	<u>\$ 18,380,432</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 12,163,791</u></u>	<u><u>\$ (7,469,249)</u></u>	<u><u>\$ 4,694,542</u></u>	<u><u>\$ 6,086,237</u></u>	<u><u>\$ (12,953,090)</u></u>	<u><u>\$ (6,866,853)</u></u>

The accompanying notes are an integral part of these financial statements.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS						
ATTRIBUTED TO:						
Unrealized appreciation in fair value of Phoenix International Holdings, Inc. common stock	\$ 5,207,605	\$ 4,890,117	\$ 10,097,722	\$ -	\$ -	\$ -
Employer contributions	888	2,454,178	2,455,066	819	2,454,178	2,454,997
Allocation of 77,243 shares at fair value	1,157,103	-	1,157,103	608,676	-	608,676
TOTAL ADDITIONS	\$ 6,365,596	\$ 7,344,295	\$ 13,709,891	\$ 609,495	\$ 2,454,178	\$ 3,063,673
DEDUCTIONS FROM NET ASSETS						
ATTRIBUTED TO:						
Unrealized depreciation in fair value of Phoenix International Holdings, Inc. common stock	\$ -	\$ -	\$ -	\$ 1,274,499	\$ 1,409,425	\$ 2,683,924
Distributions to participants	288,042	-	288,042	329,431	-	329,431
Interest expense	-	703,351	703,351	-	771,889	771,889
Fees and taxes	-	-	-	-	-	-
Allocation of 77,243 shares at fair value	-	1,157,103	1,157,103	-	608,676	608,676
TOTAL DEDUCTIONS	\$ 288,042	\$ 1,860,454	\$ 2,148,496	\$ 1,603,930	\$ 2,789,990	\$ 4,393,920
NET CHANGE	\$ 6,077,554	\$ 5,483,841	\$ 11,561,395	\$ (994,435)	\$ (335,812)	\$ (1,330,247)
NET ASSETS AVAILABLE FOR BENEFITS:						
BEGINNING OF YEAR	6,086,237	(12,953,090)	(6,866,853)	7,080,672	(12,617,278)	(5,536,606)
END OF YEAR	\$ 12,163,791	\$ (7,469,249)	\$ 4,694,542	\$ 6,086,237	\$ (12,953,090)	\$ (6,866,853)

The accompanying notes are an integral part of these financial statements.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1. Description of Plan

The following description of the Phoenix International Holdings, 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.

General

Phoenix International Holdings, Inc. (the "Company") established the Phoenix International Holdings, Inc. Employee Stock Ownership Plan effective November 15, 2007, as a leveraged employee stock ownership plan. The Plan is designed to comply with Sections 401(a) and 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code) and Section 407(d)(6) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended "ERISA". The Plan is administered by an Employee Benefits Administration Committee comprised of up to three persons appointed by the Phoenix International Holdings, Inc.'s Board of Directors. Sterling Support Group, LLC is the trustee of the Plan. Crowe Horwath, LLP is the third-party administrator of the Plan.

On December 1, 2007, the Plan purchased Company common shares using proceeds of borrowings from the shareholders of Phoenix International Holdings, Inc. The Company assumed these notes in consideration of the Trust entering into a non-recourse promissory note (Note 5). The notes are to be repaid over a period of twenty-five years. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the IRS.

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated under the provisions of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024 and 2023, and for the years then ended, present separately the assets, liabilities, and changes therein pertaining to:

- (a) the accounts of participants with vested rights in allocated common stock (Allocated) and
- (b) common stock not yet allocated to participants (Unallocated)

Eligibility

Employees of the Company are generally eligible to participate in the Plan after one year of service providing, they work at least 1,000 hours during such plan year and are age 21 or older. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of company contributions for such year. All employees who were participants in Phoenix International Holdings, Inc.'s Profit Sharing 401(k) Plan on November 30, 2007 automatically became participants in this Plan.

Employer Contributions

The Plan provides for variable contributions of cash, Company stock, or a combination of both which are made solely at the discretion of the Company's management and board of directors. Employees are not permitted to make contributions.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1. Description of Plan (Continued)

Payment of Benefits

Distributions on account of death, disability, or retirement are made in a lump sum in the Plan year following the event. Distributions for other separations from service commence in the fifth Plan year following the separation from service and are made in five annual installments. Distributions are made in cash or, if a participant elects, in the form of Company common stock plus cash for any fractional share of common stock.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. The Company repurchased 36,440.7738 and 33,807.8083 shares from participants during 2024 and 2023, respectively, at prices determined from the independent appraisal.

Voting Rights

Each participant in the Plan has certain voting rights with respect to Company stock held by the Plan. Such voting rights extend only to stock actually allocated to his or her account. Participants are entitled to direct the Trustee as to the manner in which voting rights are to be exercised, with respect to any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets, or any similar transaction prescribed by the IRS in the Treasury Regulations, with respect to the Company. The Trustee will vote allocated Company stock on all other corporate matters. The Trustee is required, however, to vote any unallocated shares in the collective best interest of Plan participants and beneficiaries.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, 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. Upon termination of the Plan, the Employee Benefits Administration Committee should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

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 Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participants' account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1. Description of Plan (Concluded)

Vesting

Participants in the Plan are vested on a graduated scale beginning after the completion of two years of service and are 100 percent vested after six years of service with the Company. No distributions will be made from the Plan until a vested participant retires, dies or otherwise terminates employment with the Company. Distributions are generally made in cash. In the event the distribution consists of company stock, such stock will be subject to a mandatory "put option" as described below.

At December 31, 2024 and 2023, \$828,215 and \$721,228, respectively, of deferred vested benefits were allocated to participants whose employment had terminated with the Company.

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 the fair market value of the stock as determined by annual independent valuations. The Company can elect to pay for this purchase with a note, payable over a term not to exceed five years which will bear a reasonable rate of interest. The purpose of the put option is to ensure that participants have the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which 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% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. Participants eligible to diversify make their election after year-end based on the number of shares of the employer's stock held in their account at year-end.

Forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. During the years ended December 31, 2024 and 2023, 2,894.6800 and 2,462.3536 shares of Company common stock were forfeited from participant accounts, respectively. These shares were reallocated to remaining eligible participants.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual method of accounting.

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recognized when they are declared by the Board. Unrealized appreciation (depreciation) in fair value 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.

Operating Expenses

All expenses of maintaining the Plan are paid by the Company.

Note 3. Investments

Information concerning the Plan's nonparticipant-directed investment in the Company's common stock and money market fund as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Company Stock:				
Number of shares	810,709	611,506	769,906	688,749
Cost	\$ 16,137,034	\$ 12,230,115	\$ 15,320,986	\$ 13,774,979
Fair value	\$ 12,144,416	\$ 9,160,356	\$ 6,066,862	\$ 5,427,342
Money market fund	\$ 19,375	\$ -	\$ 19,375	\$ -
Unrealized appreciation (depreciation) in fair value during the year –				
Company common stock	\$ 5,207,605	\$ 4,890,117	\$ (1,274,499)	\$ (1,409,425)

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 4. Fair Value Measurement

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount 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 measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 3 Fair Value Measurements:

The fair value of the Company common stock is based on an annual independent appraisal. This appraisal was based on a combination of the market and income valuation methods consistent with prior years. The appraiser considered historical and projected cash flow and net earnings, return on assets, return on equity, market comparables, estimated fair value of company assets and liabilities, and applicable discounts.

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

The 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 or 2023.

Money market funds are reported at cost, which approximates fair value.

The Plan's investment in shares of the Company's common stock is reported at its fair value as determined by an independent appraiser retained for that purpose by the Plan's trustee. The independent fair value appraisal is dependent upon historical and forecasted operations of the Company as represented by management, and general industry and market conditions affecting the Company's business. At December 31, 2024 and 2023, the fair value appraisal was determined using a combination of both the income and market approaches. Within the market approach, the guideline publicly traded company method was used.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 4. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
December 31, 2024:				
Company common stock	\$ -	\$ -	\$ 21,304,772	\$ 21,304,772
Money market fund	<u>19,375</u>	<u>-</u>	<u>-</u>	<u>19,375</u>
Total Assets at Fair Value	<u>\$ 19,375</u>	<u>\$ -</u>	<u>\$ 21,304,772</u>	<u>\$ 21,324,147</u>
December 31, 2023:				
Company common stock	\$ -	\$ -	\$ 11,494,204	\$ 11,494,204
Money market fund	<u>19,375</u>	<u>-</u>	<u>-</u>	<u>19,375</u>
Total Assets at Fair Value	<u>\$ 19,375</u>	<u>\$ -</u>	<u>\$ 11,494,204</u>	<u>\$ 11,513,579</u>

There were no transfers between Level 1, Level 2 and Level 3 investments during the years ended December 31, 2024 or 2023.

The table below sets forth a summary of changes in fair value of the Plan's Level 3 investment assets for the years ended December 31, 2023 and 2024:

2023:

Beginning balance	\$ 14,506,740
Unrealized loss relating to investments still held at the reporting date	(2,683,924)
Shares re-purchased from participants	<u>(328,612)</u>
Ending Balance	<u>\$ 11,494,204</u>

2024:

Beginning balance	\$ 11,494,204
Unrealized gain relating to investments still held at the reporting date	10,097,722
Shares re-purchased from participants	<u>(287,154)</u>
Ending Balance	<u>\$ 21,304,772</u>

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 4. Fair Value Measurements (Concluded)

The following provides a summary of the significant unobservable inputs used to value the Plan's Level 3 investments as of December 31, 2024.

	Fair Value 12/31/24	Valuation Methodologies	Unobservable Inputs	Range	Selected Rate
Common Stock	\$ 21,304,772	Market Approach	Guideline Public Company Method		
			- EBITDA FY 2025	3.7x - 6.5x	4.5x
			- EBITDA FY 2026	3.3x - 5.8x	3.4x
			- Marketability Discount	N/A	7.5%
		Income Approach	Discounted Cash Flow		
			- Discount rate or Weighted Average Cost of Capital	N/A	20.0%

The following provides a summary of the significant unobservable inputs used to value the Plan's Level 3 investments as of December 31, 2023.

	Fair Value 12/31/23	Valuation Methodologies	Unobservable Inputs	Range	Selected Rate
Common Stock	\$ 11,494,204	Market Approach	Guideline Public Company Method		
			- EBITDA FY 2024	4.9x - 7.00x	5.7x
			- EBITDA FY 2025	4.1x - 5.9x	4.8x
			- Marketability Discount	N/A	7.5%
		Income Approach	Discounted Cash Flow		
			- Discount rate or Weighted Average Cost of Capital	N/A	19.0%

Note 5. Note Payable

On November 29, 2007, the shareholders of Phoenix International Holdings, Inc. sold 100 percent of the Company's common stock to the Plan in exchange for notes payable, totaling \$40,000,000. The resulting notes receivable from the Plan were then exchanged for a single note payable to the Company with the Company liable for the notes payable to the shareholders in equal amounts. Interest on these loans is accrued at 6.999% per annum and interest accrued for December 2007, in the amount of \$233,333 was added to the principal balance at that time and any unpaid, scheduled interest is added to principal amounts outstanding and subject to interest. These notes are secured by the unallocated shares of the Plan's equity interest in Phoenix International Holdings, Inc. Shares are released from collateral and allocated to participants when principal and interest payments are made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year payments, divided by the total of the current year's payments, plus all future years' principal payments. This resulted in 77,243.1854 shares being released and allocated for both of the Plan years ended December 31, 2024 and 2023. An initial payment of \$1,503,000 was made to the Company on March 26, 2008 and a payment of \$2,247,343, including interest in the amount of \$1,112,622, was made on December 8, 2008. On January 1, 2008, the interest rate on the Plan's note to the Company was reduced to 4% per annum and the repayment term of the note was extended to 25 years, ending on November 30, 2032.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 5. Note Payable (Concluded)

Minimum future principal amounts due under this agreement are as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2025	\$ 1,822,159
2026	1,896,396
2027	1,973,659
2028	2,054,068
2029	2,137,754
Thereafter	<u>6,745,569</u>
	<u>\$ 16,629,605</u>

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their accounts.

Note 7. Risks and Uncertainties

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

Note 8. Related-Party and Party-in-Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are exempt related party and party-in-interest transactions. As described in Note 2, the Company pays the expenses of the Plan. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

Note 9. Tax Status

The Plan has obtained a favorable determination letter in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 9. Tax Status (Concluded)

The Plan administrator evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken. The Plan is subject to routine audits by taxing jurisdictions; however, there is no audit for any tax period in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years ended prior to December 31, 2020.

Note 10. Reconciliation to Form 5500

The following is a reconciliation of amounts in the audited financial statements to Form 5500 as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per the audited financial statements	\$ 4,694,542	\$ (6,866,853)
Rounding	-	-
Total Net Assets per Form 5500	<u>\$ 4,694,542</u>	<u>\$ (6,866,853)</u>
Total additions per the audited financial statements	\$ 13,709,891	\$ 3,063,673
Unrealized depreciation shown as a deduction in the audited financial statements	-	(2,683,924)
Rounding	(1)	-
Allocation of shares released	<u>(1,157,103)</u>	<u>(608,676)</u>
Total Income per Form 5500	<u>\$ 12,552,787</u>	<u>\$ (228,927)</u>
Total deductions per the audited financial statements	\$ 2,148,496	\$ 4,393,920
Unrealized depreciation shown as an income item on Form 5500	-	(2,683,924)
Rounding	(1)	-
Allocation of shares released	<u>(1,157,103)</u>	<u>(608,676)</u>
Total Expenses per Form 5500	<u>\$ 991,392</u>	<u>\$ 1,101,320</u>

Note 11. Administration of Plan Assets

The Trustee of the Plan holds the Plan's assets, which consist principally of Company common stock. Dividend distributions, if any, from the Company, an S Corporation, will be held by the Trustee. In that the Plan has borrowed money in order to purchase Company stock and that the related note is still outstanding, contributions are not directly allocated to participants' accounts, rather they are currently applied to pay installments on the note as they become due. Officers and employees of the Company perform certain administrative functions for the Plan without compensation. The Company is obligated to repurchase its stock allocated to the Plan participants as they retire or otherwise incur a "break in service". However, it is the policy of the Plan's Trustee to have the Plan repurchase shares of terminating participants to the extent that Plan funds are available.

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 12. Correction of the 2023 Statement of Changes in Net Assets Available for Benefits

In the preparation of the 2024 Statement of Changes in Net Assets Available, an error was discovered in the 2023 statement. The error affected the allocation of shares released and the allocation of the unrealized depreciation in fair value of the Company common stock. The correction did not affect the Net Change amount for either the Allocated or Unallocated columns, or in total.

Note 13. Subsequent Events

The Plan has evaluated events through October 10, 2025, the date that the financial statements were available to be issued. The Plan is not aware of any subsequent event which would require recognition or disclosure in the financial statements.

SUPPLEMENTAL SCHEDULE

**PHOENIX INTERNATIONAL HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(DETAIL AS REQUIRED BY FORM 5500 INSTRUCTIONS)

DECEMBER 31, 2024

Form 5500
E.I.N.: 26-1426514
Plan #002
Schedule H, Part IV, Line 4i

(a)	(b)	(c)	(d)	(e)
<u>Identity of issue, borrower, lessor, or similar party</u>	<u>Description of investment, including maturity date, rate of interest, collateral and par or maturity value</u>	<u>Cost</u>	<u>Current Value</u>	
* Phoenix International Holdings, Inc.	Common Stock - 810,709 shares allocated	\$ 16,137,034	\$ 12,144,416	
* Phoenix International Holdings, Inc.	Common Stock - 611,506 shares unallocated	12,230,115	9,160,356	
John Marshall Bank	Money market account	19,375	19,375	
Total Investments at Fair Value		<u>\$ 28,386,524</u>	<u>\$ 21,324,147</u>	

* Indicates a party-in-interest