

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.) [x] a single-employer plan [] a DFE (specify) ____
B This return/report is: [] the first return/report [] the final return/report [] an amended return/report [] a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. []
D Check box if filing under: [x] Form 5558 [] automatic extension [] the DFVC program [] special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. []

Part II Basic Plan Information—enter all requested information

1a Name of plan: AARETE EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2018
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): 200 E. RANDOLPH ST. SUITE 3010 CHICAGO, IL 60601
2b Employer Identification Number (EIN): 82-4403675
2c Plan Sponsor's telephone number: 312-585-0800
2d Business code (see instructions): 812990

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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and 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 AARETE, INC. c Plan Name AARETE EMPLOYEE STOCK OWNERSHIP PLAN	4b EIN 82-4403675	
	4d PN 002	
5 Total number of participants at the beginning of the plan year	5	288
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)	242
	6a(2)	244
	6b	0
	6c	20
	6d	264
	6e	0
	6f	264
	6g(1)	272
6g(2)	252	
6h	17	
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 3H 3I

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

9a Plan funding arrangement (check all that apply)	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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan AARETE EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 NEROL, INC.	D Employer Identification Number (EIN) 82-4403675

Part I	Asset and Liability Statement
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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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1310152	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	3929	2830
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	800548	744732
(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)	108850000	115560000
(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	110964629	116307562
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	62026062	61333561
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	62026062	61333561
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	48938567	54974001

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)	2553283	
(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)		2553283
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	53727	
(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)		53727
(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)	6710000	
(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		9317010

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1420794	
(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)		1420794
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		1860782
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		3281576

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6035434
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: RSM US LLP

(2) EIN: 42-0714325

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

A Name of plan <u>AARETE 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>NEROL, INC.</u>	D Employer Identification Number (EIN) <u>82-4403675</u>	

Part I	Distributions
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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
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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): 58-1428634

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	
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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.)
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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
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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.
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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 _____.

AArete Employee Stock Ownership Plan

Financial Report
December 31, 2024

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Independent Auditor's Report

Participants and Board of Directors
AArete Employee Stock Ownership Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the Financial Statements

We have performed audits of the financial statements of the AArete Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statement of changes in net assets available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023, and for the year ended December 31, 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate to the best of their knowledge.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying financial statements related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meet the requirements of ERISA Section 103(a)(3)(C).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of Matter—Investments

As discussed in Note 8, the financial statements include an investment representing 99% and 98% of total assets as of December 31, 2024 and 2023, respectively, whose fair value has been estimated by an independent appraisal, in the absence of readily ascertainable fair value, with the assistance of management and approved by the trustee. Because of the inherent uncertainty of the valuation, the estimated value may differ significantly from the value that would have been used had a market for the investment existed, and the difference could be material. Our opinion is not modified with respect to this matter.

Emphasis of Matter—Plan Termination

As discussed in Note 11 to the financial statements, the Board of Directors of AArete, Inc., the Plan's Sponsor, voted on May 2, 2025 to terminate the Plan effective June 9, 2025. Liquidation was not deemed imminent by management as of December 31, 2024. Our opinion was not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 the Plan's ability to continue as a going concern within one year after the date that 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the Financial Statements section of our report, 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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.

Other Matter—Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, line 4i—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 DOL'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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

RSM US LLP

Schaumburg, Illinois
October 10, 2025

AArete Employee Stock Ownership Plan

Statement of Net Assets Available for Benefits December 31, 2024

	Allocated	Unallocated	Total
Assets			
Investments, at fair value:			
Common stock, AArete, Inc.	\$ 15,842,801	\$ 99,717,199	\$ 115,560,000
Money market fund	744,732	-	744,732
	<u>16,587,533</u>	<u>99,717,199</u>	<u>116,304,732</u>
Accrued income	2,830	-	2,830
Total assets	<u>16,590,363</u>	<u>99,717,199</u>	<u>116,307,562</u>
Liabilities			
Loan payable	-	61,333,561	61,333,561
Total liabilities	<u>-</u>	<u>61,333,561</u>	<u>61,333,561</u>
Net assets available for benefits	<u>\$ 16,590,363</u>	<u>\$ 38,383,638</u>	<u>\$ 54,974,001</u>

See notes to financial statements.

AArete Employee Stock Ownership Plan

Statement of Net Assets Available for Benefits December 31, 2023

	Allocated	Unallocated	Total
Assets			
Investments, at fair value:			
Common stock, AArete, Inc.	\$ 12,745,888	\$ 96,104,112	\$ 108,850,000
Money market fund	800,548	-	800,548
	<u>13,546,436</u>	<u>96,104,112</u>	<u>109,650,548</u>
Contributions receivable	1,310,152	-	1,310,152
Accrued income	3,929	-	3,929
Total assets	<u>14,860,517</u>	<u>96,104,112</u>	<u>110,964,629</u>
Liabilities			
Loan payable	-	62,026,062	62,026,062
Total liabilities	<u>-</u>	<u>62,026,062</u>	<u>62,026,062</u>
Net assets available for benefits	<u>\$ 14,860,517</u>	<u>\$ 34,078,050</u>	<u>\$ 48,938,567</u>

See notes to financial statements.

AArete Employee Stock Ownership Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2024

	Allocated	Unallocated	Total
<hr/>			
Additions to net assets attributed to:			
Company contributions	\$ -	\$ 2,553,283	\$ 2,553,283
Allocation of 20,000 shares of common stock of AArete, Inc.	2,311,200	-	2,311,200
Net appreciation in fair value of investment	785,713	5,924,287	6,710,000
Interest and dividends	53,727	-	53,727
Total additions	3,150,640	8,477,570	11,628,210
<hr/>			
Deductions from net assets attributed to:			
Distributions	1,420,794	-	1,420,794
Interest expense	-	1,860,782	1,860,782
Allocation of 20,000 shares of common stock of AArete, Inc.	-	2,311,200	2,311,200
Total deductions	1,420,794	4,171,982	5,592,776
<hr/>			
Net increase in net assets available for benefits	1,729,846	4,305,588	6,035,434
<hr/>			
Net assets available for benefits:			
Beginning of year	14,860,517	34,078,050	48,938,567
End of year	<u>\$ 16,590,363</u>	<u>\$ 38,383,638</u>	<u>\$ 54,974,001</u>

See notes to financial statements.

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 1. Plan Description

The following brief description of the AArete Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

General: AArete, Inc. (the Company) established the Plan effective January 1, 2018, to permit eligible employees to share in the growth of the Company. The Plan is a leveraged employee stock ownership plan (ESOP) and was designed to comply with Section 4975(e)(7) and the regulation thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is administered by the Company's Board of Directors. An independent third-party trust company is the Plan's trustee.

On March 5, 2018, the Plan purchased 1,000,000 shares of AArete, Inc. common stock using the proceeds from a note payable to the Company amounting to \$65,695,358 (see Note 7) and holds the stock in a trust established under the Plan. The borrowing is to be repaid over a period of 50 years, as determined in the loan agreement, by fully deductible Company contributions to the Plan. As the Plan makes each payment of principal and interest, as required, an appropriate percentage of stock is 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 once they are allocated under the Plan. Accordingly, the financial statements of the Plan as of December 31, 2024 and 2023, and for the year ended December 31, 2024, present separately the assets and liabilities and the changes therein pertaining to: (a) the accounts of employees with rights in allocated common stock (allocated) and (b) stock not yet allocated to employees (unallocated).

Eligibility: An employee of the Company who has completed 12 consecutive months of service and has attained age 21 becomes eligible to participate on the entrance date on which or after the eligibility requirements have been met. Entrance dates are January 1 and July 1.

Contributions: All contributions are made by the Company; there are no employee contributions permitted. Employer contributions may be paid to the trustee in cash and/or in shares of Company stock, as determined by the Board of Directors in its sole discretion, provided that the contribution is paid to the trustee in cash to provide the trust with sufficient cash to pay the currently maturing debt service obligation based on the loan amortization schedule. An employee must complete at least 1,000 hours of service during the plan year and be employed on the last day of the plan year to receive its allocation of the company contribution. Each employee's allocation is based on eligible compensation, as defined in the Plan agreement, after entering the plan as a percentage of all participants' eligible compensation.

Payment of benefits: Distributions on account of death, disability or meeting normal retirement age may commence in the plan year following the benefit event. Distributions for other separations from service may commence no later than the fifth plan year following the separation from service. Dependent upon the vested account balance as of the immediately preceding valuation date, distributions may be paid in a lump sum or installments. Distributions may be made in cash and/or Company common stock. Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 1. Plan Description (Continued)

Voting rights: To the extent a shareholder vote is required, the participants of the Plan are entitled to direct the trustee as to the exercise of any and all voting rights attributable to shares of Company stock then allocated to his/her account with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of the corporation or any similar transaction as required by Section 409(e)(3) of the IRC. Unallocated shares and any allocated shares with respect to which voting instructions are not given are voted in the manner determined by the trustee.

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' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year receive an allocation. Allocations are based on a participant's eligible compensation, relative to the total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance to all participants' account balances.

Vesting: Vesting in the Company contribution portion of participant accounts, plus actual earnings thereon, is based on years of service: 20% after two years, 40% after three years, 60% after four years, 80% after five years and 100% after six years.

Put option: Under federal income tax regulations, the Company 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 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 have the opportunity to move part of the value of their investment in Company stock into investments, which are more diversified. Participants who attain age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. During the first five years, a participant may diversify up to 25% of the number of the shares in his or her account. In the sixth year, this limit is increased to 50% of the shares in his or her account. Participants who elect to diversify receive a transfer of the value of such diversified shares to the AArete, LLC 401(k) Profit Sharing Plan and Trust. The election to diversify is made subsequent to year-end based upon the shares of the Company stock in the participant's account at year-end.

Forfeitures: Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the plan year. Forfeitures totaling \$674,291 was allocated to participants during the plan year ended December 31, 2024. There were no unallocated forfeitures held by the Plan at December 31, 2024 and 2023.

Basis of accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

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

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 2. Significant Accounting Policies

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: 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. The fair value of the Company is determined by an annual independent appraisal. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payments of benefits and administrative expenses: Benefits are recorded when paid. All expenses of maintaining the Plan are paid by the Company.

Contributions receivable: Contributions receivable at December 31, 2023, consists of funding from the Company in the amount of \$1,310,152 (allocated). The contributions were paid into the Plan in June 2024 and allocated in 2024.

Subsequent events: The Plan Administrator has evaluated subsequent events for potential recognition and/or disclosure through October 10, 2025, the date the financial statements were available to be issued.

Note 3. Information Certified and Provided by Greatbanc Trust Company

The following is a summary of the Plan's asset and income information as of December 31, 2024 and 2023, and for the year ended December 31, 2024, included throughout the Plan's financial statements and supplemental schedule, obtained by management and agreed to or derived from information certified as complete and accurate to the best of their knowledge, by GreatBanc Trust Company, a qualified institution:

	2024	2023
Investments, at fair value:		
Common stock, AArete, Inc.	\$ 115,560,000	\$ 108,850,000
Money market fund	\$ 744,732	\$ 800,548
Accrued income	\$ 2,830	\$ 3,929
Net appreciation in fair value of investment	\$ 6,710,000	
Interest and dividends	\$ 53,727	

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 4. Investments and Transactions With the Company

The fair value of AArete, Inc. common stock at December 31, 2024 and 2023, was \$115.56 and \$108.85 per share, respectively, based upon the December 31, 2024 and 2023, valuation results. The Plan owns all of the outstanding stock of the Company.

Information about the Plan's investment in the Company's common stock at December 31, 2024 and 2023, is as follows:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
AArete, Inc. common stock:				
Number of shares	137,095.8904	862,904.1096	117,095.8904	882,904.1096
Cost	\$ 9,006,564	\$ 56,688,794	\$ 7,692,656	\$ 58,002,702
Fair value	\$ 15,842,801	\$ 99,717,199	\$ 12,745,888	\$ 96,104,112

Note 5. 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 Codification 820 are described below:

Level 1: Inputs to the valuation methodologies 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 methodologies 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 methodologies are unobservable and significant to the fair value measurement.

The asset's 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.

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

AArete, Inc. common stock: Valued at fair value, as determined by the trustee, after taking into consideration a valuation from an independent appraiser. This 2024 appraisal was based upon a combination of valuation techniques, including the discounted cash flow method, guideline public company method, and merger and acquisition method. The 2023 appraisal was based on the discounted cash flow method. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

Money market fund: Valued at the daily closing price as reported by the fund. A money market fund held by the Plan is an open-ended mutual fund that is registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The money market fund held by the Plan is deemed to be actively traded.

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

	2024			
	Level 1	Level 2	Level 3	Total
AArete, Inc. common stock	\$ -	\$ -	\$ 115,560,000	\$ 115,560,000
Money market fund	744,732	-	-	744,732
Investments at fair value	<u>\$ 744,732</u>	<u>\$ -</u>	<u>\$ 115,560,000</u>	<u>\$ 116,304,732</u>
	2023			
	Level 1	Level 2	Level 3	Total
AArete, Inc. common stock	\$ -	\$ -	\$ 108,850,000	\$ 108,850,000
Money market fund	800,548	-	-	800,548
Investments at fair value	<u>\$ 800,548</u>	<u>\$ -</u>	<u>\$ 108,850,000</u>	<u>\$ 109,650,548</u>

Changes in fair value levels: To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another.

Plan management evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2024, there were no transfers in or out of Level 3.

For the year ended December 31, 2024, there were no purchases or issues of shares of AArete, Inc. common stock classified as Level 3.

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

Quantitative information about significant unobservable inputs used in Level 3 fair value measurements: The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs.

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2024	2023		
Common stock— AArete, Inc.	\$ 115,560,000	\$ 108,850,000	Discounted cash flow, Guidline public company, Merger and acquisition	EBITDA Net income Weighted average cost of capital Discount rate Discount for lack of marketability Certain equity value adjustments, primarily cash, accruals and synthetic equity.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the trustee, reviews in detail, discusses and approves.

The preceding methods described above 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 measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

Note 6. Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 26, 2019, that the Plan, as designed, is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes the Plan and trust are currently designed and being operated in compliance with the applicable requirements of the IRC and therefore, believes that the Plan is qualified and the related trust is tax exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the U.S. federal, state or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Note 7. Loan Payable

The loan payable at December 31, 2024 and 2023, consists of a term note payable to the Company in the amount of \$61,333,561 and \$62,026,062, respectively, due in annual payments of \$2,553,283, which includes principal and interest at 3%. All outstanding principal and accrued interest is due February 22, 2068. Borrowings are collateralized by the Plan's investment in unallocated shares of common stock of AArete, Inc.

AArete Employee Stock Ownership Plan

Notes to Financial Statements

Note 7. Loan Payable (Continued)

Maturities of long-term debt are as follows:

Years ending December 31:	
2025	\$ 713,276
2026	734,674
2027	756,715
2028	779,416
2029	802,798
Thereafter	57,546,682
	<u>\$ 61,333,561</u>

Note 8. Risks, Uncertainties and Concentration

A significant portion of the Plan's 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/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions, 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. As of December 31, 2024 and 2023, 99% and 98%, respectively of the Plan's assets are invested in common stock of AArete, Inc.

Note 9. Related-Party and Party-in-Interest Transactions

The Plan invests in Company common stock, which is a related-party and party-in-interest transaction. The Plan has service providers which are considered 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 10. Plan Termination and Subsequent Event

On May 2, 2025, the Company entered into a Merger Agreement with PCP Accelerate Buyer, LLC (the Buyer), whereby the Buyer and the Company merged. Upon the consummation of the merger, the Company changed its name to Nerol, Inc. Consequently, the Plan was terminated effective June 9, 2025. Upon termination, all participants' allocated balances became 100% vested. The total consideration in the transaction was \$280,000,000 subject to final adjustments, debt pay-off and allocation to other instrument holders. The ESOP will realize a gain on the transaction for its allocated shares which will be redeemed at the transaction price per share. The ESOP loan will be cancelled upon the redemption of unallocated shares at the transaction price per share. Any unallocated shares remaining will be allocated and redeemed at the transaction price per share. Participants were issued a distribution in the form of approximately 82% of their account balance within 90 days of the merger's effective date. Final payments are expected to take place 24 months or more after the merger.

Management determined that liquidation was not imminent as of December 31, 2024. Therefore, the Plan's 2024 financial statements are prepared on an accrual basis for a going concern and do not include any adjustments that might result from the Plan's subsequent termination. The Plan Administrator is determining the impact of adopting Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 205, Presentation of Financial Statements, Liquidation Basis of Accounting, on the Plan's subsequent financial statements.

AArete Employee Stock Ownership Plan

**Schedule H, Line 4i—Schedule of Assets (Held at End of Year)
December 31, 2024**

Employer Identification Number: 82-4403675

Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	AArete, Inc.	AArete, Inc. Common stock, 1,000,000 shares	\$ 65,695,358	<u>\$ 115,560,000</u>
	Goldman Sachs	Money market fund: Goldman Sachs Financial Square Government Fund	744,732	<u>744,732</u>
				<u><u>\$ 116,304,732</u></u>

* Indicates a party-in-interest investment.

The above information has been certified by Greatbanc Trust Company, the trustee, as complete and accurate to the best of their knowledge.