

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

Department of the Treasury Internal Revenue Service

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).

2024

Department of Labor Employee Benefits Security Administration

Complete all entries in accordance with the instructions to the Form 5500.

Pension Benefit Guaranty Corporation

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... [X] a single-employer plan [ ] a DFE... B This return/report is: [ ] the first return/report [ ] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [X] Form 5558 [ ] automatic extension... 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: PFLOW INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/1995
2a Plan sponsor's name (employer, if for a single-employer plan): PFLOW INDUSTRIES, INC.
2b Employer Identification Number (EIN): 39-1252646
2c Plan Sponsor's telephone number: 414-352-9000
2d Business code (see instructions): 333310

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

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	226
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	152
	<b>6a(2)</b>	158
	<b>6b</b>	20
	<b>6c</b>	48
	<b>6d</b>	226
	<b>6e</b>	1
	<b>6f</b>	227
	<b>6g(1)</b>	225
<b>6g(2)</b>	227	
<b>6h</b>	2	
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
2I 2P 2Q 3I

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

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> 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)

<b>a Pension Schedules</b>	<b>b General Schedules</b>
(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)
(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)
(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached <u>0</u>
(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____	(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)
(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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

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**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.

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**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 \_\_\_\_\_

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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>PFLOW INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PFLOW INDUSTRIES, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>39-1252646</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
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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
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	66406	21878
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	2781343	2781189
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>	0	0
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	0	0
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	3189	49430
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	39678506	42292285
(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	42529444	45144782
<b>Liabilities</b>			
g Benefit claims payable.....	1g	11947	15200
h Operating payables.....	1h	6800	6800
i Acquisition indebtedness.....	1i	15938172	14289427
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	15956919	14311427
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	26572525	30833355

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	3079572	
(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)		3079572
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	56	
(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)		56
(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)	4739046	
(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 .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		7818674

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	3271166	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		3271166
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		285784
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>		
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>	649	
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>	245	
(7) Actuarial fees .....	<b>2i(7)</b>		
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses.....	<b>2i(11)</b>		
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		894
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		3557844

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		4260830
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**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: **VRAKAS SC**

(2) EIN: **39-1453055**

**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
<b>a</b> 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>b</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	
<b>c</b> 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	
<b>d</b> 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	
<b>e</b> Was this plan covered by a fidelity bond?	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> 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	
<b>h</b> 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	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> 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	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<b>n</b> 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.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> 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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>PFLOW INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>PFLOW INDUSTRIES, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>39-1252646</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>3258304</u>
<b>2</b> 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): <u>39-1252646</u>		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>	
<b>c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
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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

<b>Part IV</b>	<b>ESOPs</b> (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:

<b>a</b> 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).....	<b>14a</b>	
<b>b</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).....	<b>14b</b>	
<b>c</b> 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).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

**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 \_\_\_\_\_.

**PFLOW INDUSTRIES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS  
AND ERISA-REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024 AND 2023  
WITH INDEPENDENT AUDITORS' REPORT**



## TABLE OF CONTENTS

	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
<b>Notes to Financial Statements</b>	5
<b>ERISA-Required Supplementary Information</b>	12
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	13



## INDEPENDENT AUDITORS' REPORT

To the Plan Administrator  
Pflow Industries, Inc. Employee Stock Ownership Plan

### Opinion

We have audited the accompanying financial statements of Pflow Industries, Inc. Employee Stock Ownership Plan ("the plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### 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 Audits 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 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 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.

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 for one year after the date that the financial statements were available to be issued.

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

### Auditors' Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the plan's ability to continue as a going concern for a reasonable period of time.

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

#### **ERISA-Required Supplementary Information**

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 ("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 has been subjected to the auditing procedures applied in the audit of the 2024 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 the form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the supplemental 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.



Brookfield, Wisconsin  
October 1, 2025

## Pflow Industries, 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
<b>ASSETS</b>						
Investments at fair value						
Pflow Industries, Inc. common stock	\$ 26,212,392	\$ 16,079,893	\$ 42,292,285	\$ 25,151,734	\$ 14,526,772	\$ 39,678,506
Interest-bearing cash	49,430	-	49,430	-	-	-
Mutual funds	-	-	-	3,189	-	3,189
	<u>26,261,822</u>	<u>16,079,893</u>	<u>42,341,715</u>	<u>25,154,923</u>	<u>14,526,772</u>	<u>39,681,695</u>
Noninterest-bearing cash	21,878	-	21,878	66,406	-	66,406
Employer contributions receivable	-	2,781,189	2,781,189	-	2,781,343	2,781,343
	<u>-</u>	<u>2,781,189</u>	<u>2,781,189</u>	<u>-</u>	<u>2,781,343</u>	<u>2,781,343</u>
<b>TOTAL ASSETS</b>	<u>26,283,700</u>	<u>18,861,082</u>	<u>45,144,782</u>	<u>25,221,329</u>	<u>17,308,115</u>	<u>42,529,444</u>
<b>LIABILITIES</b>						
Notes payable due to Pflow Industries, Inc.	-	14,289,427	14,289,427	-	15,938,172	15,938,172
Distributions payable	15,200	-	15,200	11,947	-	11,947
Administrative expenses payable	6,800	-	6,800	6,800	-	6,800
	<u>22,000</u>	<u>14,289,427</u>	<u>14,311,427</u>	<u>18,747</u>	<u>15,938,172</u>	<u>15,956,919</u>
<b>TOTAL LIABILITIES</b>	<u>22,000</u>	<u>14,289,427</u>	<u>14,311,427</u>	<u>18,747</u>	<u>15,938,172</u>	<u>15,956,919</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 26,261,700</u>	<u>\$ 4,571,655</u>	<u>\$ 30,833,355</u>	<u>\$ 25,202,582</u>	<u>\$ 1,369,943</u>	<u>\$ 26,572,525</u>

The accompanying notes are an integral part of these statements.

## Pflow Industries, Inc. Employee Stock Ownership Plan

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2024

	<b>Allocated</b>	<b>Unallocated</b>	<b>Total</b>
<b>ADDITIONS TO NET ASSETS ATTRIBUTED TO</b>			
Net appreciation in fair value of			
Pflow Industries, Inc. common stock	\$ 2,441,364	\$ 2,298,121	\$ 4,739,485
Interest and other investment income (loss)	(383)	-	(383)
Contributions from Pflow Industries, Inc.	12,599	3,066,973	3,079,572
Allocation of 2,348 shares of Pflow Industries, Inc. common stock	1,877,598	-	1,877,598
<b>TOTAL ADDITIONS</b>	<b>4,331,178</b>	<b>5,365,094</b>	<b>9,696,272</b>
<b>DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO</b>			
Benefits paid to participants	3,271,166	-	3,271,166
Interest expense	-	285,784	285,784
Administrative expenses	894	-	894
Allocation of 2,348 shares of Pflow Industries, Inc. common stock	-	1,877,598	1,877,598
<b>TOTAL DEDUCTIONS</b>	<b>3,272,060</b>	<b>2,163,382</b>	<b>5,435,442</b>
<b>NET CHANGES</b>	<b>1,059,118</b>	<b>3,201,712</b>	<b>4,260,830</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>			
Beginning of year	25,202,582	1,369,943	26,572,525
End of year	<b>\$ 26,261,700</b>	<b>\$ 4,571,655</b>	<b>\$ 30,833,355</b>

The accompanying notes are an integral part of this statement.

# Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

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## 1. NATURE OF PLAN

Pflow Industries, Inc. ("the company") established the Pflow Industries, Inc. Employee Stock Ownership Plan ("the ESOP" or "the plan") effective January 1, 1995 as a defined contribution plan, subject to provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and subsequent amendments. The plan purchased the outstanding shares of the company's common stock over the course of time using proceeds received from the company in exchange for notes payable due to the company (see Note 7). The plan currently owns 100% of the outstanding shares of the company's common stock.

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 assets and liabilities ("allocated") and (b) assets and liabilities not yet allocated to employees ("unallocated"). The unallocated shares of the company's common stock are held as collateral for the notes payable due to the company.

The company is obligated to make contributions to the plan at least equal to the amount necessary to enable the plan to make its scheduled annual debt obligation payments to the company. Contributions declared in 2024, used to make debt obligation payments, totaled \$3,066,973, of which \$285,784 was funded in December 2024 and \$2,781,189 was funded in May 2025. Contributions declared in 2023, used to make debt obligation payments, totaled \$3,069,527, of which \$288,184 was funded in December 2023 and \$2,781,343 was funded in May 2024.

As the plan makes debt obligation payments, a pro rata portion of unallocated shares of the company's common stock are released and allocated at fair value to participant investment accounts. During 2024, 708 shares of the company's common stock were released and allocated at fair value to participant accounts based on an employer safe harbor matching program that is associated with the Pflow Industries, Inc. 401(k) Plan ("the 401(k) plan"), another qualified retirement plan sponsored by the company. In addition, during 2024, 1,641 shares of the company's common stock were released and allocated at fair value to participant accounts based on the annual ratio of participant eligible compensation paid in the plan year to total plan eligible compensation paid in the plan year.

The company is also obligated to fund the plan's annual benefit payments due to participants ("repurchase obligations"). At the discretion of the company's board of directors, the repurchase obligations can be funded via (a) the company repurchasing these shares directly from the participants ("stock redemption"); (b) the company funding the ESOP to allow the ESOP to repurchase these shares directly by making contributions to the ESOP ("re-cycling"); or (c) the company repurchasing these shares directly from the participants and re-issuing the repurchased shares back to the ESOP in exchange for a note payable due to the company ("stock redeem and re-leveraging"). In a stock redemption event, the shares are retained by the company after processing the benefit payments and held in treasury. In a recycling event, the shares are retained by the plan after processing the benefit payments and are reallocated among the remaining plan participants on an annual basis based on the annual ratio of participant eligible compensation paid in the plan year to total plan eligible compensation paid in the plan year. In a stock redeem and re-leveraging event, the shares are re-issued to the ESOP after processing the benefit payments and are considered unallocated, held as collateral for the related outstanding note payable. The company elected to fund the 2024 repurchase obligations via a combination of stock redemption and stock redeem and re-leveraging events.

In addition, the company can make segregation contributions to repurchase shares from terminated participants that remain in the plan. The repurchased shares are then reallocated amongst eligible participants based on the annual ratio of eligible compensation paid in the plan year to total plan eligible compensation paid in the plan year. Segregation contributions totaled \$13,000 in 2024.

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

Following is a summary of the ESOP shares.

	<u>2024</u>	<u>2023</u>
Allocated shares, beginning of year	34,973	39,955
Shares redeemed by the company	(4,530)	(7,234)
Shares issued to the ESOP from the company's treasury, held as unallocated	2,265	3,617
Shares released for allocation via debt obligation payments	2,348	2,252
Shares held as unallocated, carried over from prior year	17,848	16,580
Total ESOP shares	<u>52,904</u>	<u>55,170</u>

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Method of accounting** - The plan follows the accrual method of accounting wherein additions and deductions are reflected in the period earned or incurred.

**Key parties of the plan** - The company is the employer, plan sponsor and plan administrator. ESOP Partners, Inc. is the third party administrator that maintains participant records and tax counsel that performs various compliance tests. The president of Professional Fiduciary Services, LLC is the plan trustee. Associated Bank, N.A. ("Associated") holds custody of any mutual fund investments and the plan's interest-bearing and noninterest-bearing cash accounts.

**Accounting estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. The most sensitive estimate is the plan's estimate of the fair value of the company's common stock, the plan's primary investment, as described under the fair value measurements section.

**Subsequent events** - The financial statements include management's evaluation of the events and transactions occurring subsequent to December 31, 2024 through October 1, 2025, which is the date the financial statements were available to be issued.

**Risks and uncertainties** - Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with the plan's investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participant investment account balances and the amounts reported in the statements of net assets available for benefits.

**Cash** - The plan maintains its interest-bearing and noninterest-bearing cash deposits at Associated, a Federal Deposit Insurance Corporation ("FDIC") insured bank. The FDIC provides limited insurance on such deposit accounts. At times, the aggregate account balances may exceed the FDIC insurance limit; however, as employee benefit plan accounts, the deposits are insured up to the FDIC insurance limit for each participant account balance rather than the aggregate plan account balances. As such, the plan's management believes the risk of any losses on such deposits is remote.

**Investments** - The plan's investments are nonparticipant directed and recorded at fair value. Separate investment accounts are maintained for each participant. Annual net appreciation (depreciation) in fair value of investments held is reflected in the statement of changes in net assets available for benefits.

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

**Fair value measurements** - GAAP establishes a framework for measuring fair value. That framework 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 investments (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 - Valuation is based upon quoted prices in active markets for identical investments.
- Level 2 - Valuation is based upon other significant observable inputs (including quoted prices for similar investments).
- Level 3 - Valuation is based upon significant unobservable inputs (including the plan's assumptions in determining the fair value of investments).

Following are descriptions of the investments and valuation methodologies used to measure fair value.

*The company's common stock* - Valued by an independent appraisal, using methods consistent with prior years, based upon consideration of the income, market and asset valuation techniques. The appraiser took into account the company's financial information and also performed an industry and economic analysis (significant unobservable inputs). The independent appraisal determined a fair market value of \$799.41 per share as of December 31, 2024 and \$719.21 per share as of December 31, 2023.

*Interest-bearing cash* - Interest-bearing cash is stated at cost plus accrued interest, which approximates fair value.

*Mutual funds* - Valued at the daily quoted market price as reported by the funds. The mutual fund investments held by the plan are funds registered with the U.S. Securities and Exchange Commission, are required to publish their daily net asset values and are deemed to be actively traded.

### Investments at fair value as of December 31, 2024

	Level 1	Level 2	Level 3	Total
The company's common stock	\$ -	\$ -	\$42,292,285	\$42,292,285
Interest-bearing cash	49,430	-	-	49,430
	\$49,430	\$ -	\$42,292,285	\$42,341,715
Total investments at fair value	\$49,430	\$ -	\$42,292,285	\$42,341,715

### Investments at fair value as of December 31, 2023

	Level 1	Level 2	Level 3	Total
The company's common stock	\$ -	\$ -	\$39,678,506	\$39,678,506
Mutual funds	3,189	-	-	3,189
	\$3,189	\$ -	\$39,678,506	\$39,681,695
Total investments at fair value	\$3,189	\$ -	\$39,678,506	\$39,681,695

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

Changes in the fair value of level 3 investments during 2024 are as follows:

Balance, beginning of year	\$39,678,506
4,530 shares redeemed by the company at \$719.21 per share	(3,258,304)
2,265 shares issued to the ESOP at \$500.00 per share (see Note 7)	1,132,598
Unrealized appreciation	4,739,485
Balance, end of year	<u>\$42,292,285</u>

### 3. PLAN DESCRIPTION

The following description of the plan provides only general information. Participants should refer to the plan agreement for more complete information.

**Eligibility** - The plan covers substantially all employees of the company, as more fully described in the plan document. Individuals are eligible to participate in the plan upon attaining age 18 and completing one month of service. Eligible plan compensation is based on total compensation paid during the year in which the employee becomes eligible to participate in the plan.

Once the eligibility requirements are met (as previously defined), to receive annual employer contributions an employee must be employed on the last day of the year to which the contribution relates. This requirement is waived if employment during the year is terminated due to qualified retirement, disability or death.

**Vesting** - For participants who performed their first hour of service on or after January 1, 2020, the following vesting schedule applies.

<u>Years of vesting service</u>	<u>Percentage</u>
Less than three years	0%
Three years or more	100%

For participants who terminated prior to January 1, 2020, the below vesting schedule applied. Participants who are/were employed after January 1, 2020, who performed their first hour of service before January 1, 2020, are subject to the vesting schedule more favorable to the participant, between the schedule above and the schedule below.

<u>Years of vesting service</u>	<u>Percentage</u>
Less than two years	0%
Two years	20%
Three years	40%
Four years	60%
Five years	80%
Six years or more	100%

A year of vesting service is defined as a year for which an employee completes 1,000 hours of service as a participant of the plan. Upon death, disability or attainment of qualified retirement age while still employed or termination of the plan, a participant becomes 100% vested.

**Put option** - The company's common stock is not readily tradable on an established market and includes a put option. The put option provides each participant the right to require the company or the ESOP to repurchase the common stock at the fair value as determined by independent appraisals. The purpose of the put option is to ensure that participants ultimately receive benefit payments in the form of cash.

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

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**Diversification** - Participants who complete ten years of service and attain age 55 will enter a "qualified election period" in which the participant may diversify their accounts. The "qualified election period" is a six year period beginning when the noted requirements are met. Participants will be allowed to diversify up to 25% of their account out of the company's common stock during the first five years and up to 50% of their account in the sixth year. Any diversifications are recorded as benefits paid in the accompanying financial statements as the participants ultimately are receiving cash out of the plan, which is then generally rolled over into other qualified retirement accounts as directed by the participant.

**Payment of benefits** - Benefit payments may commence upon termination of employment, death, or disability. Subject to certain requirements as described in the plan document, and at the discretion of the company's board of directors, benefits will be paid in the form of a lump-sum distribution or in substantially equal annual installments over a period of time as further described in the plan documents.

**Forfeitures** - Any forfeitures of nonvested account balances may be allocated on an annual basis as additional employer contributions for the year or used to reduce employer contributions. Forfeited nonvested accounts used to reduce employer contributions were \$105,000 in 2024.

**Administrative fees** - The majority of administrative costs and other expenses of the plan are paid by the company and not included in these financial statements.

**Voting rights** - Generally, the plan trustee will vote the shares of the company's common stock held by the plan, including shares allocated to participant accounts. Participants have the right to vote the shares of the company's common stock allocated to their account in situations requiring a vote of the company's stockholders with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all the assets of the trade or business or similarly significant corporate transactions, as determined by the company's board of directors. With respect to unallocated shares, or allocated shares for which the plan trustee does not receive direction from the participants, the plan trustee shall, in its sole discretion, vote the shares relating to the approval or disapproval of the aforementioned corporate matters.

#### 4. TAX STATUS

The Internal Revenue Service has determined and informed the plan sponsor by a letter dated August 15, 2017, that the plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The plan administrator and the plan's tax counsel believe that the plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the plan is qualified, and the related trust is tax-exempt.

GAAP requires plan management to evaluate tax positions taken by the plan and recognize tax liabilities (or assets) for any uncertain tax positions taken by the plan that more likely than not would not be sustained upon examination by the applicable authorities. Plan management analyzed the requirements for accounting for such uncertain tax positions taken and determined the plan was not required to recognize any tax liabilities (or assets) related to uncertain tax positions taken as of December 31, 2024 and 2023. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

#### 5. TERMINATION OF PLAN

The company reserves the right to terminate the plan at any time, subject to plan provisions. Upon termination of the plan, the plan sponsor would direct the plan to pay any liabilities and expenses of the ESOP and to sell shares of the company's common stock held as collateral to the extent it determines such sale to be necessary in order to repay the related outstanding notes payable. Subsequently, the interest of each participant in the plan would be distributed to such participant at the time as prescribed by the plan document and the IRC.

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

### 6. PARTY-IN-INTEREST TRANSACTIONS

The plan holds shares of the company's common stock as its primary investment. The company is also the plan sponsor. As such, transactions between the plan and the company qualify as party-in-interest transactions. Interest expense recorded by the plan due to the company (see Note 7) was \$285,784 in 2024.

The plan's other investment and cash accounts are managed by Associated. Associated also holds custody of these plan assets and executes transactions in such assets. As such, transactions between the plan and Associated qualify as party-in-interest transactions. As discussed in Note 1, certain contributions associated with the 401(k) plan are remitted to the ESOP. Such transactions between the ESOP and the 401(k) plan are considered party-in-interest transactions. In addition, the plan has a number of other service providers. Any transactions between these providers, the company and the plan qualify as party-in-interest transactions.

All such party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

### 7. NOTES PAYABLE

The notes payable as of December 31 consist of the following:

	2024	2023
2021 term loan agreement with the company, used to repurchase 21,596 shares of the company's common stock at a cost of \$836.00 per share, secured by certain unallocated shares of the company's common stock, interest at 1.90%, one-time principal payment of \$2,454,059 paid in May 2024, interest-only payment of \$239,817 paid in December 2024, one-time principal payment of \$2,781,189 paid in May 2025, annual interest-only payments due December 2025 through December 2071, one-time principal and interest payment of \$391,025 due December 2072, remaining balance due in annual scheduled principal and interest payments of \$453,340 beginning December 2073 through December 2096	\$11,675,596	\$14,129,655
2023 term loan agreement with the company, used to repurchase 3,617 shares of the company's common stock at a cost of \$500.00 per share, secured by certain unallocated shares of the company's common stock, interest at 2.86%, one-time principal payment of \$327,284 paid in May 2024, interest-only payment of \$45,967 paid in December 2024, annual interest-only payments due December 2025 through December 2038, one-time principal and interest payment of \$48,171 due December 2039, remaining balance due in annual scheduled principal and interest payments of \$68,432 beginning December 2040 through December 2073	1,481,233	1,808,517
2024 term loan agreement with the company, used to repurchase 2,265 shares of the company's common stock at a cost of \$500.00 per share, secured by certain unallocated shares of the company's common stock, interest at 3.14%, balance due in annual scheduled principal and interest payments of \$45,196 beginning December 2025 through December 2074	1,132,598	-
	\$14,289,427	\$15,938,172

## Pflow Industries, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

December 31, 2024 and 2023

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The scheduled principal payments of the notes payable as of December 31, 2024 are as follows:

2025	\$	9,633
2026		9,935
2027		10,247
2028		10,569
2029		10,901
Thereafter		14,238,142
		<hr/>
		\$14,289,427
		<hr/> <hr/>

### 8. VESTED BENEFITS AVAILABLE FOR DISTRIBUTION

Vested benefits available for distribution related to participants who have deceased, terminated employment or become disabled or are eligible for required minimum distribution or diversification payments prior to the plan year end, included as a component of net assets available for benefits, totaled \$5,075,000 as of December 31, 2024.

### 9. INVESTMENT IN THE COMPANY'S COMMON STOCK

Investment in the company's common stock as of December 31 consists of the following:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	32,790	20,114	34,973	20,197
Cost	\$17,924,391	\$10,995,157	\$ 7,674,137	\$ 4,432,315
Fair market value	\$26,212,392	\$16,079,893	\$25,151,734	\$14,526,772

The plan uses a method of determining cost which is in part based on the changes in the company's S Corporation tax basis.

