

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2024 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 09/30/2025	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan EMPLOYEE STOCK OWNERSHIP PLAN OF APPLIED RESEARCH ASSOCIATES, INC.
1b	Three-digit plan number (PN) ▶ 003
1c	Effective date of plan 10/01/1993
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) APPLIED RESEARCH ASSOCIATES, INC. 4300 SAN MATEO BLVD NE, SUITE A220 ALBUQUERQUE, NM 87110-1295
2b	Employer Identification Number (EIN) 85-0276434
2c	Plan Sponsor's telephone number 505-881-8074
2d	Business code (see instructions) 541330

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/13/2026	ELIZABETH FISK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 2327
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) 2198 6a(2) 2291 6b 3 6c 155 6d 2449 6e 3 6f 2452 6g(1) 2094 6g(2) 2275 6h 74
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:

20 2I 3I

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2024
		This Form is Open to Public Inspection.

For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 09/30/2025

A Name of plan EMPLOYEE STOCK OWNERSHIP PLAN OF APPLIED RESEARCH ASSOCIATES, INC.	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 APPLIED RESEARCH ASSOCIATES, INC.	D Employer Identification Number (EIN) 85-0276434

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

Yes

☒

No
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TRANSITION FINANCE STRATEGIES LLC

13-4238973

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	86958	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STOUT RESIUS ROSS, INC.

38-3003685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
34	NONE	68003	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ALERUS TRUST

45-6062081

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	50652	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

KPMG LLP

13-5565207

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	47355	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

POLSINELLI PC

ONE EAST WASHINGTON
SUITE 1200
PHOENIX, AZ 85004

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	1658	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
	For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 09/30/2025	
	A Name of plan EMPLOYEE STOCK OWNERSHIP PLAN OF APPLIED RESEARCH ASSOCIATES, INC.	B Three-digit plan number (PN) 003
C Plan sponsor's name as shown on line 2a of Form 5500 APPLIED RESEARCH ASSOCIATES, INC.	D Employer Identification Number (EIN) 85-0276434	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	19979133	21814668
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1222919	1236718
(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)	584623761	587556480
(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	605825813	610607866
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	605825813	610607866

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)	21814668	
(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)		21814668
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	169601	
(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)		169601
(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)	42693205	
(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		64677474

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	48494407	
(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)		48494407
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	254665	
(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)		254665
j Total expenses. Add all expense amounts in column (b) and enter total	2j		48749072

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		15928402
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		11146349

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: **KPMG LLP**

(2) EIN: **13-5565207**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
APPLIED RESEARCH ASSOCIATES, INC 401(K) PROFIT SHARING PLAN & TRUST	85-0276434	001

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection.
For calendar plan year 2024 or fiscal plan year beginning 10/01/2024 and ending 09/30/2025		
A Name of plan EMPLOYEE STOCK OWNERSHIP PLAN OF APPLIED RESEARCH ASSOCIATES, INC.		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 APPLIED RESEARCH ASSOCIATES, INC.		D Employer Identification Number (EIN) 85-0276434
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 28614097
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): 85-0479119		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?		☐ Yes ☒ No
11 a Does the ESOP hold any preferred stock?		☐ Yes ☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)		☐ Yes ☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?		☒ Yes ☐ No
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2024 v. 240311		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation.....

Part VII IRS Compliance Questions

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

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

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☒ N/A

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



**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Financial Statements and Supplemental Schedules

September 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

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1 Schedule H, Line 4i – Schedule of Assets (Held at End of Year), September 30, 2025	13
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* All other schedules required by 29 CFR Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable.	



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Albuquerque, NM 87110-8179

Independent Auditors' Report

To the Plan Participants and Plan Administrator
Employee Stock Ownership Plan of Applied Research Associates, Inc.:

Opinion

We have audited the financial statements of Employee Stock Ownership Plan of Applied Research Associates, Inc. (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 September 30, 2025 and 2024, and the related statement of changes in net assets available for benefits for the year ended September 30, 2025, 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 September 30, 2025 and 2024, and the changes in its net assets available for benefits for the year ended September 30, 2025, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 U.S. generally accepted accounting principles, 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 are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not



a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of Schedule H, line 4j - Schedule of Reportable Transactions for the year ended September 30, 2025, and Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of September 30, 2025 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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



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

KPMG LLP

Albuquerque, New Mexico
July 9, 2026

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Statements of Net Assets Available for Benefits

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Investments:		
Money market fund	\$ 1,236,718	1,222,919
ARA Holdings, Inc. common stock, at fair value	<u>587,556,480</u>	<u>584,623,761</u>
Total investments	<u>588,793,198</u>	<u>585,846,680</u>
Receivables:		
Employer contributions, net of forfeitures	<u>21,814,668</u>	<u>19,979,133</u>
Total receivables	<u>21,814,668</u>	<u>19,979,133</u>
Total assets	<u>610,607,866</u>	<u>605,825,813</u>
Net assets available for benefits	<u><u>\$ 610,607,866</u></u>	<u><u>605,825,813</u></u>

See accompanying notes to financial statements.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Statement of Changes in Net Assets Available for Benefits

Year ended September 30, 2025

Additions to net assets available for benefits attributed to:

Investment income:

Net appreciation in fair value of investments

\$ 42,693,205

Interest on money market fund

169,601

42,862,806

Employer contributions, net of forfeitures

21,814,668

Total additions

64,677,474

Deductions from net assets available for benefits attributed to:

Benefits paid to participants

48,494,407

Administrative expenses

254,665

Total deductions

48,749,072

Net increase before transfers

15,928,402

Transfer of assets to other plan

11,146,349

Net increase in assets available for benefits

4,782,053

Net assets available for benefits, beginning of year

605,825,813

Net assets available for benefits, end of year

\$ 610,607,866

See accompanying notes to financial statements.

EMPLOYEE STOCK OWNERSHIP PLAN OF APPLIED RESEARCH ASSOCIATES, INC.

Notes to Financial Statements

September 30, 2025 and 2024

(1) Description of Plan

The following description of the Employee Stock Ownership Plan of Applied Research Associates, Inc. (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

(a) General

Applied Research Associates, Inc. (ARA or the Employer) provides professional and technical services to government and commercial customers in a variety of engineering and environmental disciplines. A significant portion of ARA's business is with the U.S. Department of Defense.

The Plan is a defined-contribution plan that was established on October 1, 1992, and covers all employees of ARA who are age 18 or older. The Plan operates, in relevant part, as an employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC), and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). ARA is the Plan Administrator and Blue Ridge ESOP Associates, Inc. is the recordkeeper. Beginning on August 1, 2023, the Trustee of the Plan is Summit Fiduciary Group, LLC (Trustee). Prior to this change, the Trustee was Alerus Financial, N.A.

On June 4, 2015, in association with ARA's conversion to a 100% ESOP-owned S corporation, a holding company named ARA Holdings, Inc. (ARA Holdings) was created to acquire all of the outstanding shares of ARA. Effective June 5, 2015, the Plan owns 100% of ARA Holdings and ARA Holdings owns 100% of ARA. The exchange of ARA shares for ARA Holdings shares of common stock (Company Stock) was done on a one-for-one basis.

(b) Contributions

For purposes of contributions to the Plan, ARA classifies employees into one of two business classes: the Traditional Plan Family (TPF) and the Alternative Plan Family (APF). The TPF is the default classification, comprising those employees associated with the direct work, management, and administration of ARA's traditional, high-value-added contracts in which the contracting customers are willing to pay prices sufficient to provide a high level of benefits. The TPF also includes corporate management and staff. The APF, in contrast, comprises employees associated with the direct work, management, and administration of contracts that are relatively price sensitive and in which the contracting customers generally are not willing to pay prices sufficient to provide ARA's traditional high level of benefits. The economics of these contracts do not allow ARA to charge prices sufficient to cover the costs of the higher level of benefits offered to the TPF participants. Designation of employees to a business class is made based upon the business unit to which they belong. Business units are designated as TPF by default, unless specifically designated as APF based on the economics of the contract.

Employer contributions are discretionary and are at the option of ARA's board of directors. In November 2025 and 2024, ARA's board of directors approved a discretionary contribution for the 2025 and 2024 plan years, respectively, in the amount of 9% of eligible compensation to all eligible employees in the TPF and 4% and 5% of eligible compensation to all eligible employees in the APF for 2025 and 2024, respectively. Participants must be employed with ARA on the last day of the plan year

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

and must have worked at least 1,000 hours during the plan year in order to receive a contribution, except for participants who reach normal retirement age, die, or become permanently disabled during the plan year. Contributions may be made in cash or common stock of ARA. Contributions related to plan years 2025 and 2024 were made in cash in February 2026 and February 2025, respectively, and consisted solely of the discretionary employer contribution made for that year. These contributions are included in employer contributions receivables, net of forfeitures, as of September 30, 2025 and 2024, respectively. Employee contributions are not permitted.

(c) Participant Accounts

The Plan maintains a separate individual account for each participant, which is comprised of cash and stock. Each participant's account is credited or charged with an allocation of (a) ARA's contribution, (b) plan earnings or losses, (c) forfeitures of terminated participants' nonvested accounts, if determined by management, and (d) administrative expenses. Allocations are based on participant earnings or account balances as defined in the plan document. The benefit to which a participant is entitled is the amount that can be provided from the participant's vested account balance. Only the participants who are eligible employees of ARA as of the last day of the plan year will receive an allocation of the above items.

(d) Vesting

Vesting in participant accounts is based on years of service of at least 1,000 hours of service per year. Each participant is 50% vested after two years of credited service and 100% vested after three years of credited service.

(e) Payment of Benefits

On termination of service due to death, disability, retirement, or other reason, a participant will receive benefits as annual installments over a period of five years. For vested account balances in excess of \$1,415,000 this five-year period is increased by one year for each \$280,000 that the participant's balance exceeds \$1,415,000, up to a maximum of five additional years. Benefits are paid out in the form of a single cash lump sum if the total value of the participant's vested interest in his or her account is \$7,000 or less. Benefit payments begin in the plan year following a participant's termination. The value of ARA Holdings common stock is determined by using the most recent independent valuation of ARA Holdings common stock at the time the distribution is made. Under the provisions of the Plan, distributions can only be requested in cash.

(f) Administration of Plan Assets

In accordance with the trust agreement, the Plan's assets and income therefrom are held and administered by the Trustee. ARA has the responsibility for making employer contributions, appointing and removing the Trustee, establishing a funding policy and method, and amending or terminating the Plan. Certain administrative functions are performed by officers or employees of ARA. No such officer or employee receives compensation from the Plan.

(g) Administrative Expenses

All expenses of administration are paid out of the Plan unless paid by ARA.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

(h) Forfeited Accounts

Forfeited accounts can be used to fund a participant's account in the event they were erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made and allocated or used to pay any administrative expenses of the Plan. Remaining forfeitures, if any, can be used to reduce the employer discretionary contribution or be allocated to eligible participants, at the discretion of the Plan.

During plan year 2025, forfeited accounts totaling \$248,559 were used to reduce the discretionary employer contribution. At September 30, 2025 and 2024, unallocated forfeited accounts totaled \$0.

(i) Termination

Although it has not expressed any intent to do so, ARA has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their accounts. Upon termination of the Plan, ARA shall direct the Trustee to pay all liabilities and expenses of the trust fund.

(j) Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in ARA Holdings common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution.

(k) 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 ARA Holdings buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of stock. ARA Holdings can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

(l) Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. If the Trustee does not timely receive voting directions from a participant or beneficiary with respect to any whole shares of Company Stock allocated to that participant's or beneficiary's Company Stock Account, the Trustee shall vote such Company Stock in the same proportions (affirmatively, negatively, or abstain) as the number of shares subject to the directions of those participants and beneficiaries who have directed the voting of shares, but only if and to the extent not prohibited under the IRC, ERISA, and other applicable law.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

(2) Summary of Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes in those net assets during the reporting period. Actual results could differ from those estimates.

(c) Benefit Payments

Amounts distributed to participants are recorded when paid.

(d) Investment Valuation and Income Recognition

Under Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, assets and liabilities at fair values are grouped in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that ARA Holdings has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the hierarchy. In such cases, the fair value of the asset or liability is determined based on the lowest-level input that is significant to the fair value measurement in its entirety.

Shares of ARA Holdings common stock are stated at fair value as determined by an annual independent appraisal. The fiscal year 2025 and 2024 appraisals were based upon a combination of market and income valuation techniques, consistent with prior years. The appraiser's market approach involved developing market multiples (i.e., revenue multiples and EBITDA multiples of comparable public companies) to apply to ARA Holdings based on the guideline public company method and, at the appraiser's discretion, the transaction method. A discount for lack of marketability is also applied. The appraiser's income valuation technique recognizes that the value of an investment is premised on the receipt of future economic benefits, which include earnings, cost savings, tax deductions, and the proceeds from disposition, and considers weighted average cost of capital, discount rate, and a discount for lack of marketability.

Included in the 2025 and 2024 appraisals to determine the fair value of the ARA Holdings common stock was a valuation for a separate Hydrothermal Cleanup Process patent. This valuation was primarily based on the present value of estimated future cash flows for the life of the Company's patent of Hydrothermal Cleanup Process.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

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

The money market fund, which is stated at fair value, is valued at quoted market prices. The fund is required to publish its daily net asset value and to transact at that price. The fund is deemed to be actively traded and as such is deemed to have a readily determinable fair value, which is a Level 1 input under ASC Topic 820. See tables below:

Assets at fair value as of September 30, 2025				
	Level 1	Level 2	Level 3	Total
ARA Holdings stock	\$ —	—	587,556,480	587,556,480
Money market fund	1,236,718	—	—	1,236,718
Total assets at fair value	\$ 1,236,718	—	587,556,480	588,793,198

Assets at fair value as of September 30, 2024				
	Level 1	Level 2	Level 3	Total
ARA Holdings stock	\$ —	—	584,623,761	584,623,761
Money market fund	1,222,919	—	—	1,222,919
Total assets at fair value	\$ 1,222,919	—	584,623,761	585,846,680

(i) Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2025:

ARA Holdings common stock balance, beginning of year	\$ 584,623,761
Unrealized appreciation relating to instruments still held at the reporting date	42,693,205
Shares repurchased during the year (85,122 shares)	<u>(39,760,486)</u>
ARA Holdings common stock balance, end of year	\$ <u>587,556,480</u>

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Net appreciation/depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year and is calculated on the revalued cost method.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

(3) Tax Status

The Internal Revenue Service (IRS) has determined and informed ARA by a favorable determination letter dated June 26, 2015 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan Administrator believes that the Plan is currently designed and operating in compliance with the applicable sections of the IRC and, therefore, is exempt from income taxes. Effective October 1, 2015, ARA restated the Plan. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is designed and being operated in compliance with applicable requirements of the IRC so 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 to recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of September 30, 2025 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine tax audits for any periods still within the statute of limitations.

(4) Non Participant Directed Investments

The Plan's non-participant directed investments, at September 30, are presented in the following table:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 1,236,718	1,222,919
ARA Holdings common stock:		
Number of shares	1,166,481	1,251,603
Cost	21,343,864	22,901,396
Estimated fair value	\$ 587,556,480	584,623,761
Total investments	\$ <u>588,793,198</u>	<u>585,846,680</u>

(5) Party-in-Interest Transactions

Certain plan investments are shares of ARA Holdings common stock. ARA is the plan sponsor of the Plan; therefore, these transactions qualify as party-in-interest transactions. Fees paid to the Trustee by the Plan for investment management services amounted to \$50,000 for the year ended September 30, 2025.

(6) Risks and Uncertainties

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

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Notes to Financial Statements

September 30, 2025 and 2024

(7) Plan Transfers

Certain terminated employees in the ESOP have their Company shares converted to cash and if they do not elect to distribute those amounts, the cash will be transferred to the Applied Research Associates, Inc. 401(k) Profit Sharing Plan and Trust as segregated ESOP accounts for those converted ESOP participants. During plan year 2025, ARA completed a segregation of participant accounts. After the segregation, \$48,494,407 was distributed to ESOP participants and \$11,146,349 was transferred to Applied Research Associates, Inc. 401(k) Profit Sharing Plan and Trust.

(8) Subsequent Events

Subsequent events are evaluated by management through the date that the financial statements are available to be issued, which is July 9, 2026.

Schedule 1

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

EIN 85-0276434 and Plan Number 003

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2025

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
	Vanguard	Vanguard Federal Money Market Fund #33 – 1,236,718 units	\$ 1,236,718	1,236,718
*	ARA Holdings, Inc.	Common stock – 1,166,481 shares	21,343,864	587,556,480
			<u>\$ 22,580,582</u>	<u>588,793,198</u>
*	Party-in-interest investment			

See accompanying independent auditors' report.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Schedule H, Line 4j – Schedule of Reportable Transactions
Year ended September 30, 2025

(a) Identity of Party Involved	(b) Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Single Transactions: ARA Holdings, Inc.	ARA Holdings, Inc. Common Stock Sale	\$ —	32,198,604	1,261,312	32,198,604	30,937,292
Series Transactions: ARA Holdings, Inc.	ARA Holdings, Inc. Common Stock Sale	—	39,760,486	1,557,533	39,760,486	38,202,953
Vanguard	Vanguard Federal Money Market Fund #33 Purchase	20,148,734	—	20,148,734	20,148,734	—
Vanguard	Vanguard Federal Money Market Fund #33 Sale	—	20,134,935	20,134,935	20,134,935	—

See accompanying independent auditors' report.

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

Schedule H, Line 4j – Schedule of Reportable Transactions
Year ended September 30, 2025

(a) Identity of Party Involved	(b) Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Single Transactions: ARA Holdings, Inc.	ARA Holdings, Inc. Common Stock Sale	\$ —	32,198,604	1,261,312	32,198,604	30,937,292
Series Transactions: ARA Holdings, Inc.	ARA Holdings, Inc. Common Stock Sale	—	39,760,486	1,557,533	39,760,486	38,202,953
Vanguard	Vanguard Federal Money Market Fund #33 Purchase	20,148,734	—	20,148,734	20,148,734	—
Vanguard	Vanguard Federal Money Market Fund #33 Sale	—	20,134,935	20,134,935	20,134,935	—

See accompanying independent auditors' report.

Schedule 1

**EMPLOYEE STOCK OWNERSHIP PLAN OF
APPLIED RESEARCH ASSOCIATES, INC.**

EIN 85-0276434 and Plan Number 003

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2025

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
	Vanguard	Vanguard Federal Money Market Fund #33 – 1,236,718 units	\$ 1,236,718	1,236,718
*	ARA Holdings, Inc.	Common stock – 1,166,481 shares	21,343,864	587,556,480
			<u>\$ 22,580,582</u>	<u>588,793,198</u>
*	Party-in-interest investment			

See accompanying independent auditors' report.