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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) _____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan
DENBOW COMPANY ESOP

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2021

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
DENBOW COMPANY, INC.

2780 WEST HWY 290, BLDG A
DRIPPING SPRINGS, TX 78620

2b Employer Identification Number (EIN) 27-3816184

2c Plan Sponsor's telephone number 512-264-2767

2d Business code (see instructions) 237100

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.	07/29/2026	TERRI KONKOL
	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 [X] 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

4b EIN

c Plan Name

4d PN

5	Total number of participants at the beginning of the plan year	**5**	316
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	**6a(1)**	282
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	295
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	34
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	329
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	329
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	267
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	325
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	27
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 Characteristic Codes in the instructions:

2P 3I 2Q 2I

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

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] 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)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

- **(1)** [X] **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)** [X] **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 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE H
(Form 5500)

Department of the Treasury
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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
DENBOW COMPANY ESOP

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DENBOW COMPANY, INC.

D Employer Identification Number (EIN)
27-3816184

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	293	293
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	13418
(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)		
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	105900000	103000000
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	105900293	103013711
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h		
1i Acquisition indebtedness	1i	30460003	29602608
1j Other liabilities	1j	293	293
1k Total liabilities (add all amounts in lines 1g through1j)	1k	30460296	29602901
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	75439997	73410810

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)	1735835	
(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)		1735835
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-2900000	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-2900000

		(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		13417
d Total income. Add all **income** amounts in column (b) and enter total	2d		-1150748
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	467229	
(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)		467229
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		411210
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		878439
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-2029187
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] 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)** [X] 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: SBNG, PC **(2)** EIN: 26-1483953

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.)	**4a**		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
DENBOW COMPANY ESOP

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DENBOW COMPANY, INC.

D Employer Identification Number (EIN)
27-3816184

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... | 1 | 0

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

EIN(s): 27-3816184

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☐ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ 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_____.

DENBOW COMPANY ESOP

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

AND INDEPENDENT AUDITOR'S REPORT

SBNG

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Trustee and ESOP Committee
Denbow Company ESOP

Opinion

We have audited the accompanying financial statements of Denbow Company ESOP, 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, 2025 and 2024, and the related statement of changes in net assets available for benefits for the year ended December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Denbow Company ESOP as of December 31, 2025 and 2024, and the changes in its net assets available for benefits for the year ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Denbow Company ESOP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Denbow Company ESOP's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

(Continued)

SBNG
CERTIFIED PUBLIC ACCOUNTANTS | 221 N. Kansas St., Ste. 1300 | El Paso, Texas 79901
Phone: (915) 544-6770 | Fax: (915) 544-0136 | www.sbngcpa.com

Responsibilities of Management for the Financial Statements (Continued)

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Denbow Company ESOP'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 Denbow Company ESOP's ability to continue as a going concern for a reasonable period of time.

(Continued)

Auditor's Responsibilities for the Audits of the Financial Statements (Continued)

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

Other Matter – Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End-of-Year) as of December 31, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

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

SBNG, PC

El Paso, Texas
July 10, 2026

DENBOW COMPANY ESOP

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2025

ASSETS	**Allocated**	**Unallocated**	**Total**
Cash	$ 293	$	$ 293
Employer contributions receivable	13,418		13,418
Investment in Denbow Company, Inc. common stock, at estimated fair value	18,379,418	84,620,582	103,000,000
Total assets	18,393,129	84,620,582	103,013,711
LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS			
Due to related party	293		293
Note payable		29,602,608	29,602,608
Total liabilities	293	29,602,608	29,602,901
Net assets available for benefits	$ 18,392,836	$ 55,017,974	$ 73,410,810

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

DENBOW COMPANY ESOP

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2024

ASSETS	**Allocated**	**Unallocated**	**Total**
Cash	$ 293	$	$ 293
Investment in Denbow Company, Inc. common stock, at estimated fair value	15,813,982	90,086,018	105,900,000
Total assets	15,814,275	90,086,018	105,900,293
LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS			
Due to related party	293		293
Note payable		30,460,003	30,460,003
Total liabilities	293	30,460,003	30,460,296
Net assets available for benefits	$ 15,813,982	$ 59,626,015	$ 75,439,997

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

DENBOW COMPANY ESOP

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2025

	Allocated	Unallocated	Total
Additions to net assets:			
Employer contributions	$ 467,229	$ 1,268,606	$ 1,735,835
Other income	13,417		13,417
Net unrealized depreciation in estimated fair value of investments	(433,055)	(2,466,945)	(2,900,000)
Allocation of 58,223 shares of common stock of Denbow Company, Inc., at estimated fair value	2,998,492		2,998,492
Total additions	3,046,083	(1,198,339)	1,847,744
Deductions from net assets:			
Interest expense		411,210	411,210
Benefit payments	467,229		467,229
Allocation of 58,223 shares of common stock of Denbow Company, Inc., at estimated fair value		2,998,492	2,998,492
Total deductions	467,229	3,409,702	3,876,931
Net increase (decrease)	2,578,854	(4,608,041)	(2,029,187)
Net assets available for benefits:			
Beginning of year	15,813,982	59,626,015	75,439,997
End of year	$ 18,392,836	$ 55,017,974	$ 73,410,810

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

DENBOW COMPANY ESOP

NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF PLAN

The following description of Denbow Company ESOP ("the Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

General - Denbow Company, Inc. ("the Company") established the Plan effective as of January 1, 2021 as a leveraged employee stock ownership plan ("ESOP") and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC").

Plan Administration - Blue Ridge ESOP Associates, LLC is the third-party administrator for the Plan. The Plan administrator, an employee of the Company, administers the Plan. The ESOP committee, appointed by the Company's Board of Directors, of the Plan provides oversight of the Plan by determining the appropriateness of Plan provisions and investment offerings and monitoring investment performance.

Eligibility - All employees of the Company who have reached 18 years of age and completed one year and 1,000 hours of service will become participants in the Plan on the defined Plan Entry Dates. Participants who do not have at least 1,000 hours of service during the Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year. All employees, regardless of age or service, became participants of the Plan on its inception date of January 1, 2021.

Contributions - The Company is obligated to make contributions to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its note payable. Employee contributions are not permitted.

Payment of Benefits - Generally, participants with a vested balance more than $7,000 who separate from service by reason of attainment of normal retirement age, death or disability are eligible to begin receiving distributions in lump sum or direct rollover in the Plan year following the event, or in equal installments over a period not to exceed five years following the event. Participants with a vested balance more than $7,000 who separate from service by reason other than normal retirement age, death or disability are eligible to begin receiving distributions no later than one year after the close of the Plan year in which the participant separates from service after reaching normal retirement age or upon death or disability. Distribution of the participant's vested account balance for participants who separate by reasons other than death, disability or normal retirement age may not include any employer securities acquired with the proceeds of the Plan's exempt loan until such time as that loan has been paid in full with exception of required minimum distributions, diversification requirements, participant's death or disability, and normal retirement age. A participant whose vested balance is less than $7,000 at the time of distribution is subject to a mandatory cash out in accordance with Plan provisions.

(Continued)

DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits (Continued) - Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. The Plan distributed, and the Company repurchased, 15,986 shares from participants with a value of $467,229 during the year ended December 31, 2025.

Voting Rights - Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account with respect to any merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or any similar transaction prescribed by the IRS in Treasury Regulations, with respect to the Company. Each participant is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is permitted to vote the Plan participants' allocated Company stock if they do not provide a voting direction to the Trustee or if they provide an invalid direction. The Trustee is required to vote any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

Participant Accounts - The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. With the exception of those separated during the Plan year by reason of death, disability or normal retirement age, participants must complete a minimum of 1,000 hours of service and be actively employed on the last day of the Plan year in order to receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting - If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, the participant will vest in the balances in their account based on total years of service with the Company. Participants vest 20% per year of service, after reaching two years of service, and are 100% vested after six years of service.

Put Option - Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable in an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The first put option period runs for a period of at least 60 days commencing on the date of distribution of Company stock to the participant. The second put option period runs for a period of at least 60 days commencing on the first day of the subsequent Plan year. For a lump sum payment over $7,000, the Company can pay for the purchases with interest over a period not to exceed five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

(Continued)

DESCRIPTION OF PLAN (CONTINUED)

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company 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 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 either a cash distribution or, if the Company maintains another qualified plan, may make a direct transfer to that qualified plan. The election to diversify is made subsequent to year-end based upon the shares of Company stock in the participant's account at year-end.

Forfeitures - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. For the year ended December 31, 2025, 4,912 shares with a value of $252,973 from terminated non-vested account balances and cash forfeitures of $13,418 were reallocated to eligible remaining participant accounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared using the accrual basis of accounting.

Use of Estimates - The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Allocations - The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (*a*) the accounts of employees with rights in allocated stock ("allocated") and (*b*) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment Valuation and Income Recognition - The shares of Company common stock are valued at fair value. See Fair Value Measurement note for a discussion of the fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Realized gains or losses from security transactions are reported on the average cost method. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits - Benefits are recorded when paid.

(Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Administrative Expenses - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses paid by the Company are excluded from these financial statements. There were no administrative expenses paid by the Plan for the year ended December 31, 2025.

INVESTMENTS

The Plan's investments in the Company's common stock are as follows:

	Allocated	Unallocated
December 31, 2025		
Number of shares	356,882	1,643,118
Cost	$6,281,122	$28,918,878
Estimated fair value	$18,379,418	$84,620,582
December 31, 2024		
Number of shares	298,659	1,701,341
Cost	$5,256,395	$29,943,605
Estimated fair value	$15,813,982	$90,086,018

FAIR VALUE MEASUREMENTS

FASB ASC 820 (formerly SFAS No. 157) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. In general, fair value determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets the Plan has the ability to access for identical assets or liabilities. Fair value 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 and liabilities in active markets and inputs other than quoted prices observable for the asset or liability, such as interest rate and yield curves 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.

(Continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the levels in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value on a recurring basis as of December 31, 2025 and 2024:

	Fair Value Measurements Using:	
	Fair Value	Unobservable Inputs (Level 3)
December 31, 2025		
Denbow Company, Inc. common stock	$103,000,000	$103,000,000
Total	$103,000,000	$103,000,000
December 31, 2024		
Denbow Company, Inc. common stock	$105,900,000	$105,900,000
Total	$105,900,000	$105,900,000

Changes in Fair Value of Level 3 Assets and Related 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 December 31, 2025:

	Investment in Denbow Company, Inc. Common Stock
Balance, January 1, 2025	$105,900,000
Unrealized depreciation in estimated fair value of investments	(2,900,000)
Balance, December 31, 2025	$103,000,000

(Continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

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

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

The Company's common stock held by the Plan is valued at estimated fair value based upon an independent appraisal at an estimated fair value of $103,000,000 and $105,900,000 as of December 31, 2025 and 2024, respectively. These appraisals were based upon a combination of the market and income valuation techniques as illustrated in the following table.

Instrument	*Principal Valuation Technique*	*Unobservable Inputs*
Denbow Company, Inc. common stock	Income (Discounted Cash Flow Method)	EBITDA Net income Weighted average cost of capital Discount rate Discount for lack of marketability Terminal growth rate
	Market (Guideline Company Method)	Guideline companies comparable EBITDA, EBIT and revenue multiples Discount for lack of marketability

The valuation process involves the selection of an independent appraiser under contract for a term of three years with the right to cancel such contract at any time. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a preliminary report that the Trustee and ESOP Committee review in detail, discuss, and approve. The results of this process are documented in the minutes of the ESOP Committee.

(Continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

The independent appraisal of the Company's common stock as of December 31, 2025 considered certain outstanding equity-linked instruments of the Company, including detachable warrants held by a former shareholder. The warrants are exercisable for 517,482 shares of Company common stock at an exercise price of $2 per share and were valued by the appraiser using a Black-Scholes option-pricing model. The appraiser reflected an estimated warrant value of $25,891,589 as a reduction in determining the fair value of the Company common stock held by the Plan.

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

NOTE PAYABLE

In 2021, the Plan purchased 2,000,000 shares of the Company's common stock with a loan of $35,200,000 directly from the existing shareholders. The proceeds of the loans were used to purchase Company common stock. Subsequent to formation, the loans to the selling shareholders were assigned and assumed by the Company in exchange for the Plan entering into a note payable to the Company. The note payable is collateralized by the unallocated shares of stock; however, the lenders have no rights against the shares once they are allocated to participants in accordance with the terms of the ESOP. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 58,223 shares being released and allocated for the Plan year ended December 31, 2025.

The agreement provides for the loan to be repaid over 35 years. The fair value of the loan payable as of December 31, 2025 and 2024 was approximately $29,602,608 and $30,460,003, respectively, determined by using interest rates currently available for issuance of debt, which as of December 31, 2025 and 2024 was 1.35% per annum, with similar terms, maturity dates, and nonperformance risks.

(Continued)

NOTE PAYABLE

Future maturities of the note payable, by year, are as follows:

Year Ended December 31,	
2026	$ 868,970
2027	880,702
2028	891,561
2029	904,627
2030	916,840
Thereafter	25,139,908
	$29,602,608

RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of total additions per the financial statements to Schedule H of Form 5500:

Total additions per financial statements	$1,847,744
Allocation of 58,223 shares of common stock of Denbow Company, Inc. at estimated fair value	(2,998,492)
Net additions per Form 5500	$(1,150,748)

The following is a reconciliation of total deductions per the financial statements to Schedule H of Form 5500:

Total deductions per financial statements	$3,876,931
Allocation of 58,223 shares of common stock of Denbow Company, Inc. at estimated fair value	(2,998,492)
Net deductions per Form 5500	$ 878,439

(Continued)

RELATED PARTY TRANSACTIONS

In 2021, the Company provided an initial funding to open the Plan's cash account. This advance is considered a related party transaction as this amount is due back to the Company. The amount due to the Company was $293 as of December 31, 2025 and 2024.

EXEMPT PARTIES-IN-INTEREST TRANSACTIONS

The Plan invests in Company common stock and has a note payable to the Company; therefore, these transactions qualify as exempt party-in-interest transactions.

Certain Plan transaction processing, year-end compliance testing and Form 5500 preparation is performed by Blue Ridge ESOP Associates ("Blue Ridge"). Blue Ridge is the third-party administrator as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. All fees incurred for these services during the year ended December 31, 2025 were paid by the Company and are excluded from these financial statements.

Certain support and independent Trustee services is performed by Legacy Fiduciary Services. These transactions qualify as exempt party-in-interest transactions. All fees incurred for these services during the year ended December 31, 2025 were paid by the Company and are excluded from these financial statements.

An annual independent appraisal of the Company's common stock is performed by BVA Group ("BVA"). BVA is the Independent Appraiser as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. All fees incurred for these services during the year ended December 31, 2025 were paid by the Company and are excluded from these financial statements.

SBNG, PC, the auditor of the Company and Plan, charges fees for the audit services it provides, which are paid by the Company. All fees incurred for these services during the year ended December 31, 2025 were paid by the Company and are excluded from these financial statements.

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

INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated August 10, 2021, stating that the Plan is qualified under the IRC and, therefore, the related Trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Plan has been amended since receiving the letter, Plan management and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC; therefore, they believe that the Plan is qualified and the related trust is exempt from taxation under the IRC.

(Continued)

INCOME TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2025, there were no uncertain tax positions. The Plan files a Form 5500. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan is no longer subject to U.S. federal and state income tax examinations by authorities for the years before December 31, 2022.

RISKS AND UNCERTAINTIES

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

PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the Plan's trust will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the ESOP Committee should direct the Trustee to pay all liabilities and expenses of the Plan's trust and sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan.

SUBSEQUENT EVENTS

Subsequent events were evaluated through July 10, 2026, which is the date the financial statements were available to be issued.

SBNG

SUPPLEMENTARY INFORMATION

SBNG

CERTIFIED PUBLIC ACCOUNTANTS

DENBOW COMPANY ESOP
EIN 27-3816184
PLAN NUMBER 002
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END-OF-YEAR)

December 31, 2025

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	**Description of Investment**	**Cost**	**Current Value**
*	Denbow Company, Inc.	2,000,000 shares of common stock	$35,200,000	$103,000,000

* Represents a party-in-interest investment.

See accompanying independent auditor's report.

DENBOW COMPANY ESOP
EIN 27-3816184
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