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
PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 06/30/2016

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)
PALMER COMPANIES, INC.

3737 WOODLAND AVENUE
SUITE 200
WEST DES MOINES, IA 50266

2b Employer Identification Number (EIN) 42-1480932

2c Plan Sponsor's telephone number 515-225-7000

2d Business code (see instructions) 722513

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2026	TRACI ELLIS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2026	TRACI ELLIS
	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**	280
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)**	181
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	135
b	Retired or separated participants receiving benefits	**6b**	5
c	Other retired or separated participants entitled to future benefits	**6c**	65
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	205
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	206
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)**	261
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)**	204
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	46
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:

2F 2I 2P 2Q 3F 3I

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 0
- **(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 _____
- **(4)** [X] **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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
42-1480932

Part I Service Provider Information (see instructions)

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

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

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

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

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

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

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

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

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

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

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

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

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)

(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 ☐

(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 ☐

(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

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
PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
42-1480932

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	1572	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	188117	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		96332
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		54209
(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)	536215	
(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)	26923000	25802000
(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	27648904	25952541
Liabilities			
1g Benefit claims payable	1g		84035
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j	8446032	7760400
1k Total liabilities (add all amounts in lines 1g through1j)	1k	8446032	7844435
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	19202872	18108106

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)	3247834	
(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)		3247834
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1149	
(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)		1149
(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)	-1121000	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-1121000

		(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)		-7060
c Other income	2c		212654
d Total income. Add all **income** amounts in column (b) and enter total	2d		2333577
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2263452	
(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)		2263452
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		189191
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)	990	
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		990
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2453633
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-120056
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		974710

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: MHCS P.C. **(2)** EIN: 42-1104473

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		3000000
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)
PALMER GROUP 401(K) PLAN	42-1480932	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

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
PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
42-1480932

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): 42-0127290

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_____.

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025 AND 2024

C O N T E N T S

Independent Auditor's Report	1
Statements of Net Assets Available For Benefits	2
Statement of Changes in Net Assets Available For Benefits	3
Notes to Financial Statements	4
Supplemental Schedule	
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	13

MHCS

1601 West Lakes Pkwy, Ste 300
West Des Moines, IA 50266

PHONE 515-288-3279
FAX 515-280-1490

MHCScpa.com

INDEPENDENT AUDITOR'S REPORT

Trevor Monnig, Accumen Advisory LLC, as Trustee
Palmer Group Employee Stock Ownership Plan
West Des Moines, Iowa

Opinion

We have audited the financial statements of Palmer Group Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 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 accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Palmer Group Employee Stock Ownership Plan as of December 31, 2025 and 2024 and the changes in 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 Palmer Group Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Palmer Group Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are issued.

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

Auditor's 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 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 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 judgement 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 Palmer Group Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Palmer Group Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Schedule Required by ERISA
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at year end) is presented for purpose 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.

MHCS P.C.
West Des Moines, Iowa
October 6, 2026

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2025 AND 2024

	2025			2024		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investment in Palmer Group common stock, at fair value	$ 12,560,571	$ 13,241,429	$ 25,802,000	$ 11,724,609	$ 15,198,391	$ 26,923,000
Mutual funds	-	-	-	536,215	-	536,215
Cash - non-interest bearing	-	-	-	1,572	-	1,572
Cash - interest bearing	54,209	-	54,209	-	-	-
Contributions receivable	96,332	-	96,332	188,117	-	188,117
TOTAL ASSETS	12,711,112	13,241,429	25,952,541	12,450,513	15,198,391	27,648,904
LIABILITIES						
Distribution payable	84,035	-	84,035	-	-	-
Loan payable	-	7,760,400	7,760,400	-	8,446,032	8,446,032
TOTAL LIABILITIES	84,035	7,760,400	7,844,435	-	8,446,032	8,446,032
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 12,627,077	$ 5,481,029	$ 18,108,106	$ 12,450,513	$ 6,752,359	$ 19,202,872

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

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2025

	Allocated	Unallocated	Total
Additions:			
Investment income (loss):			
Net depreciation in fair value of investment in Palmer Group common stock	$ (488,181)	$ (632,819)	$ (1,121,000)
Realized and unrealized loss on mutual funds	(7,060)	-	(7,060)
S-corporation dividends	84,684	109,775	194,459
Interest income	1,149	-	1,149
Other income	18,193	-	18,193
Net investment income (loss)	(391,215)	(523,044)	(914,259)
Employer contributions	2,373,011	874,823	3,247,834
Allocation of 97,507 shares of common stock of Palmer Group, at fair value	1,324,143	-	1,324,143
Total additions	3,305,939	351,779	3,657,718
Deductions:			
Interest expense	-	189,191	189,191
Distributions to participants	2,263,452	-	2,263,452
Administrative expense	988	-	988
Allocation of 97,507 shares of common stock of Palmer Group, at fair value	-	1,324,143	1,324,143
Total deductions	2,264,440	1,513,334	3,777,774
Net increase (decrease) before transfers	1,041,499	(1,161,555)	(120,056)
Transfers between allocated and unallocated	109,775	(109,775)	-
Transfers to the Palmer Group 401(k) Plan	(974,710)	-	(974,710)
Net increase (decrease)	176,564	(1,271,330)	(1,094,766)
Net assets available for plan benefits:			
Beginning of year	12,450,513	6,752,359	19,202,872
End of year	$ 12,627,077	$ 5,481,029	$ 18,108,106

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

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION

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

Palmer Companies, Inc. (the Company) established the Palmer Group Employee Stock Ownership Plan and Trust on June 30, 2016. The Plan is 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), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Administrative Committee appointed by the Palmer Companies, Inc. Board of Directors. Professional Fiduciary Services, LLC, an independent third-party is the Plan's Trustee.

The Plan purchased Company common stock using the proceeds of a loan (Note E) from the Company and holds the common stock in a trust established under the Plan. The borrowing is to be repaid over a period of 20 years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Service (IRS).

The borrowing is collateralized by the unallocated shares of common stock. The Company has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2025 and 2024, and for the year ended December 31, 2025, present separately the assets and liabilities and changes therein pertaining to:

(a) the accounts of employees with vested rights in allocated common stock (allocated); and

(b) common stock not yet allocated to employees (unallocated).

Contributions - The Company maintains another defined contribution plan, which is a safe harbor plan. The Company has elected to make the safe harbor contribution from that plan to the ESOP. The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's safe harbor contribution, s-corporation dividends and 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 term loan. The Company may also make discretionary contributions as it deems advisable. The Company may make its contribution in property (including Company securities) instead of cash, provided that contribution of property is not a prohibited transaction under the IRC or ERISA. Employees are not permitted to make contributions.

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION - Continued

Eligibility - Employees of the Company are generally eligible to participate in the Plan after one year of service, providing they worked at least 1,000 hours during such Plan year. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company's discretionary contributions for such year. Participants who participated in the Company's safe harbor plan are eligible for an allocation of the Company's safe harbor contributions regardless of whether they are employees of the Company as of the last day of the Plan year.

Payment of Benefits - The Trustee will commence distributions of a participant's vested account balance if the participant separates from services for any reason. Participant vested account balances will be distributed in a lump sum, as soon as administratively practicable following the close of the Plan year in which the participant incurs a separation from service. Participants with vested account balances exceeding $7,000 may elect to postpone commencement of distribution to any distribution date prior to April 1 following the close of the calendar year in which the participant attains age 70 ½. Absent an election, the participant's vested account balance will commence distribution following the close of the Plan year in which the participant attains normal retirement age of 65. The Plan Administrator, after considering the available liquid assets of the Company and the Plan, will direct distribution of a participant's vested account balance by payment in annual installments over a period not exceeding five years. However, if a participant's vested account balance exceeds $1,070,000, the installment period is five years plus one additional year for each $210,000 (or fraction of $210,000) by which the participant's vested balance exceed $1,070,000. The Plan Administration will adjust the $1,070,000 and $210,000 limitations as prescribed by IRC §415(d).

The Plan's policy is to repurchase terminated participant shares in the year following the participant's termination. If the terminated participant's vested account balance exceeds $7,000, through December 31, 2024, the funds received for the share repurchase are invested in mutual funds. Terminated participants' accounts are credited with mutual fund earnings or losses. Funds are invested in mutual funds based on the terminated participants' expected retirement date. Effective January 1, 2025, the funds received for the share repurchase are transferred out of the Plan to the Palmer Group 401(k) Plan and are invested in mutual funds. The transfer of funds out of the Plan is reported on the Statement of Changes in Net Assets Available for Benefits. Funds transferred to the Palmer Group 401(k) Plan totaled $974,710 for the year ended December 31, 2025.

The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash. 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.

Administrative Expense - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company pays a significant portion of the operating expenses for the Plan. During 2025, the Plan paid administrative expenses of $988.

Voting Rights - A participant or beneficiary has the right to direct the Plan Trustee regarding the voting of Company securities allocated to his/her account with regard to any corporate matter requiring a vote of stockholders. The Plan Trustee is entitled to exercise voting rights attributable to the shares held by the Trust as directed by the Committee. The Plan Trustee is required, however, to vote any shares on behalf of the collective best interest of Plan participants and beneficiaries.

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION – Continued

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 Plan Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation of the discretionary contribution. Participants who participated in the Company's safe harbor plan receive their safe harbor contributions regardless of whether they are employees of the Company as of the last day of the Plan year. Allocations of discretionary and safe harbor contributions are based on eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Vesting - If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Participants vest 20% per year of service, starting with the second year of service, and are 100% vested after six years of service. Participants become 100% vested upon and after attaining the normal retirement age of 65, if employed by the Company on or after that date.

Put Option - Under federal income tax regulations, the employer stock that is held by the Plan and its participants is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company 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.

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments 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 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end. Participants who elect to diversify receive a cash distribution. As the Plan began on June 30, 2016, diversification is not yet offered to participants.

Forfeitures - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. There were $93,092 and $8,524 of forfeitures allocated to participant accounts in the years ended December 31, 2025 and 2024, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

Contribution Receivables - At December 31, 2025 and 2024, the Plan recorded an employer contribution receivable representing contributions due from the Company but not yet received as of year-end. The contribution is expected to be received subsequent to year-end. The 2024 contribution was received by the Plan in December 2025. Management has determined that no allowance for credit losses needed to be recorded at December 31, 2025.

Investment Valuation and Income Recognition - The shares of Company common stock are reported at fair value. See Note D for a discussion of fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought as well as held during the year.

Payment of Benefits - Benefits are recorded when paid.

Subsequent Events - The Plan has evaluated subsequent events through October 6, 2026, the date the financial statements were available to be issued.

NOTE C - INVESTMENTS

The Plan's investments, at December 31, are presented in the following table:

	2025		2024	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	924,932	975,068	827,425	1,072,575
Cost	$ 6,663,159	$ 7,024,341	$ 5,960,725	$ 7,726,775
Estimated fair value	$ 12,560,571	$ 13,241,429	$ 11,724,609	$ 15,198,391

NOTE D - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The Plan's fair value of its mutual fund investments are deemed to be actively traded (level 1). Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Security and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

The Plan's fair value of its investments in Palmer Companies, Inc. is measured using level 3 inputs.

The following table sets forth a summary of changes in the fair value of the Plan's level 3 asset (investment in Palmer Group, Inc.'s common stock) for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of year	$ 26,923,000	$ 25,878,000
Unrealized appreciation (depreciation) in estimated fair value (a)	(1,121,000)	1,045,000
Balance, end of year	$ 25,802,000	$ 26,923,000

(a) The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

Gains and losses (unrealized) included in change in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

The Company common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon a combination of the market valuation approach and the discounted cash flow method (income approach). The independent appraiser took into account historical and projected cash flow and net income, return on assets, cost of equity, weighted average cost of capital, and comparable market data. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

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

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.

NOTE E - LOAN PAYABLE

In 2016, the Plan borrowed $13,687,500 from the Company to acquire 100% of the outstanding stock of the Company. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants when principal and interest payments are made. The number of shares released in any year is the number of shares held as collateral, multiped by the ratio of the current year payments, divided by the total of this year's payments, plus all future year's principal and interest payments.

This resulted in 97,506.8383 shares being released and allocated for each of the years ended December 31, 2025 and 2024. The agreement provides for the loan to be repaid over 20 years. The balance of the note payable as of December 31, 2025 and 2024 was $7,760,400 and $8,446,032, respectively. The loan bears interest at 2.24% compounding annually.

The scheduled amortization of the loan for the next five years and thereafter is as follows:

2026	$ 700,990
2027	716,692
2028	732,746
2029	749,159
2030	765,940
Thereafter	4,094,873
	$ 7,760,400

NOTE F – S-CORPORATION DIVIDENDS

The Company paid s-corporation divided to the Plan of $0.1024 per share or $194,459 during the year ended December 31, 2025.

NOTE G - RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

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

NOTE H - 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 to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE I - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Plan Trustee to pay all liabilities and expenses of the ESOP and to 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. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

NOTE J - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated December 1, 2017, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe the Plan is qualified, and the related tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE K - AMOUNTS OWED TO FORMER PARTICIPANTS

At December 31, 2025 and 2024, the Plan owed $1,224,327 and $2,996,899, respectively, to participants who had withdrawn from the Plan.

NOTE L - PLAN AMENDMENTS

On December 29, 2022, the Setting Every Community Up for Retirement Enhancement 2.0 Act of 2022 (SECURE Act 2.0) was enacted into law. Effective January 1, 2023, the SECURE Act 2.0 increased the required minimum distribution age to 73. Effective January 1, 2024, the SECURE Act 2.0 increased the mandatory distribution threshold from $5,000 to $7,000. The Plan is required to formally amended the Plan document by December 31, 2026, but must operate within the provisions within the effective date of each new provision. As of October 6, 2026, the Plan has not been formally amended to increase the requirement minimum distribution age to 73. The Plan was formally amended January 1, 2025 to be incompliance of the SECURE Acts and has increased the mandatory distribution threshold from $5,000 to $7,000.

Effective January 1, 2025, the Plan engaged a new Trustee. The Plan also changed the handling of individual accounts related to participants who are not an active employee of the employer (terminated employees). The Plan will direct the Trustee to convert the terminated participant' employer securities account into cash. Once it is converted to cash, it will be directly transferred to the Palmer Group 401(k) Plan as soon as administratively practicable. The cash will be invested in accordance with the participant's investment election or, if none, in the current qualified default investment alternative. The conversions will occur on the same schedule as distributions.

SUPPLEMENTAL SCHEDULE

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

EIN 42-1480932 Plan #002

FORM 5500

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - DECEMBER 31, 2025

(a)	Identity of issuer, borrower, lessor or similar party. (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value. (c)	Cost (d)	Current Value (e)
*	Palmer Companies, Inc.	Common Stock (1,900,000 shares) @	$ 13,687,500	$ 25,802,000
	Interest bearing cash	Interest rate ranged from .50% to 1.92%	54,209	54,209
			$ 13,741,709	$ 25,856,209

* - Identifies party-in-interest

@ - Shares of Palmer Companies, Inc. common stock are privately held and therefore not readily determinable

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025 AND 2024

C O N T E N T S

Independent Auditor's Report	1
Statements of Net Assets Available For Benefits	2
Statement of Changes in Net Assets Available For Benefits	3
Notes to Financial Statements	4
Supplemental Schedule	
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	13

MHCS

1601 West Lakes Pkwy, Ste 300
West Des Moines, IA 50266

PHONE 515-288-3279
FAX 515-280-1490

MHCScpa.com

INDEPENDENT AUDITOR'S REPORT

Trevor Monnig, Accumen Advisory LLC, as Trustee
Palmer Group Employee Stock Ownership Plan
West Des Moines, Iowa

Opinion

We have audited the financial statements of Palmer Group Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 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 accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Palmer Group Employee Stock Ownership Plan as of December 31, 2025 and 2024 and the changes in 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 Palmer Group Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Palmer Group Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are issued.

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

Auditor's 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 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 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 judgement 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 Palmer Group Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Palmer Group Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Schedule Required by ERISA
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at year end) is presented for purpose 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.

MHCS P.C.
West Des Moines, Iowa
October 6, 2026

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2025 AND 2024

	2025			2024		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investment in Palmer Group common stock, at fair value	$ 12,560,571	$ 13,241,429	$ 25,802,000	$ 11,724,609	$ 15,198,391	$ 26,923,000
Mutual funds	-	-	-	536,215	-	536,215
Cash - non-interest bearing	-	-	-	1,572	-	1,572
Cash - interest bearing	54,209	-	54,209	-	-	-
Contributions receivable	96,332	-	96,332	188,117	-	188,117
TOTAL ASSETS	12,711,112	13,241,429	25,952,541	12,450,513	15,198,391	27,648,904
LIABILITIES						
Distribution payable	84,035	-	84,035	-	-	-
Loan payable	-	7,760,400	7,760,400	-	8,446,032	8,446,032
TOTAL LIABILITIES	84,035	7,760,400	7,844,435	-	8,446,032	8,446,032
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 12,627,077	$ 5,481,029	$ 18,108,106	$ 12,450,513	$ 6,752,359	$ 19,202,872

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

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2025

	Allocated	Unallocated	Total
Additions:			
Investment income (loss):			
Net depreciation in fair value of investment in Palmer Group common stock	$ (488,181)	$ (632,819)	$ (1,121,000)
Realized and unrealized loss on mutual funds	(7,060)	-	(7,060)
S-corporation dividends	84,684	109,775	194,459
Interest income	1,149	-	1,149
Other income	18,193	-	18,193
Net investment income (loss)	(391,215)	(523,044)	(914,259)
Employer contributions	2,373,011	874,823	3,247,834
Allocation of 97,507 shares of common stock of Palmer Group, at fair value	1,324,143	-	1,324,143
Total additions	3,305,939	351,779	3,657,718
Deductions:			
Interest expense	-	189,191	189,191
Distributions to participants	2,263,452	-	2,263,452
Administrative expense	988	-	988
Allocation of 97,507 shares of common stock of Palmer Group, at fair value	-	1,324,143	1,324,143
Total deductions	2,264,440	1,513,334	3,777,774
Net increase (decrease) before transfers	1,041,499	(1,161,555)	(120,056)
Transfers between allocated and unallocated	109,775	(109,775)	-
Transfers to the Palmer Group 401(k) Plan	(974,710)	-	(974,710)
Net increase (decrease)	176,564	(1,271,330)	(1,094,766)
Net assets available for plan benefits:			
Beginning of year	12,450,513	6,752,359	19,202,872
End of year	$ 12,627,077	$ 5,481,029	$ 18,108,106

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

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION

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

Palmer Companies, Inc. (the Company) established the Palmer Group Employee Stock Ownership Plan and Trust on June 30, 2016. The Plan is 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), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Administrative Committee appointed by the Palmer Companies, Inc. Board of Directors. Professional Fiduciary Services, LLC, an independent third-party is the Plan's Trustee.

The Plan purchased Company common stock using the proceeds of a loan (Note E) from the Company and holds the common stock in a trust established under the Plan. The borrowing is to be repaid over a period of 20 years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Service (IRS).

The borrowing is collateralized by the unallocated shares of common stock. The Company has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2025 and 2024, and for the year ended December 31, 2025, present separately the assets and liabilities and changes therein pertaining to:

(a) the accounts of employees with vested rights in allocated common stock (allocated); and

(b) common stock not yet allocated to employees (unallocated).

Contributions - The Company maintains another defined contribution plan, which is a safe harbor plan. The Company has elected to make the safe harbor contribution from that plan to the ESOP. The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's safe harbor contribution, s-corporation dividends and 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 term loan. The Company may also make discretionary contributions as it deems advisable. The Company may make its contribution in property (including Company securities) instead of cash, provided that contribution of property is not a prohibited transaction under the IRC or ERISA. Employees are not permitted to make contributions.

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION - Continued

Eligibility - Employees of the Company are generally eligible to participate in the Plan after one year of service, providing they worked at least 1,000 hours during such Plan year. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company's discretionary contributions for such year. Participants who participated in the Company's safe harbor plan are eligible for an allocation of the Company's safe harbor contributions regardless of whether they are employees of the Company as of the last day of the Plan year.

Payment of Benefits - The Trustee will commence distributions of a participant's vested account balance if the participant separates from services for any reason. Participant vested account balances will be distributed in a lump sum, as soon as administratively practicable following the close of the Plan year in which the participant incurs a separation from service. Participants with vested account balances exceeding $7,000 may elect to postpone commencement of distribution to any distribution date prior to April 1 following the close of the calendar year in which the participant attains age 70 ½. Absent an election, the participant's vested account balance will commence distribution following the close of the Plan year in which the participant attains normal retirement age of 65. The Plan Administrator, after considering the available liquid assets of the Company and the Plan, will direct distribution of a participant's vested account balance by payment in annual installments over a period not exceeding five years. However, if a participant's vested account balance exceeds $1,070,000, the installment period is five years plus one additional year for each $210,000 (or fraction of $210,000) by which the participant's vested balance exceed $1,070,000. The Plan Administration will adjust the $1,070,000 and $210,000 limitations as prescribed by IRC §415(d).

The Plan's policy is to repurchase terminated participant shares in the year following the participant's termination. If the terminated participant's vested account balance exceeds $7,000, through December 31, 2024, the funds received for the share repurchase are invested in mutual funds. Terminated participants' accounts are credited with mutual fund earnings or losses. Funds are invested in mutual funds based on the terminated participants' expected retirement date. Effective January 1, 2025, the funds received for the share repurchase are transferred out of the Plan to the Palmer Group 401(k) Plan and are invested in mutual funds. The transfer of funds out of the Plan is reported on the Statement of Changes in Net Assets Available for Benefits. Funds transferred to the Palmer Group 401(k) Plan totaled $974,710 for the year ended December 31, 2025.

The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash. 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.

Administrative Expense - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company pays a significant portion of the operating expenses for the Plan. During 2025, the Plan paid administrative expenses of $988.

Voting Rights - A participant or beneficiary has the right to direct the Plan Trustee regarding the voting of Company securities allocated to his/her account with regard to any corporate matter requiring a vote of stockholders. The Plan Trustee is entitled to exercise voting rights attributable to the shares held by the Trust as directed by the Committee. The Plan Trustee is required, however, to vote any shares on behalf of the collective best interest of Plan participants and beneficiaries.

NOTE A - PLAN DESCRIPTION AND BASIS OF PRESENTATION – Continued

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 Plan Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation of the discretionary contribution. Participants who participated in the Company's safe harbor plan receive their safe harbor contributions regardless of whether they are employees of the Company as of the last day of the Plan year. Allocations of discretionary and safe harbor contributions are based on eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Vesting - If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Participants vest 20% per year of service, starting with the second year of service, and are 100% vested after six years of service. Participants become 100% vested upon and after attaining the normal retirement age of 65, if employed by the Company on or after that date.

Put Option - Under federal income tax regulations, the employer stock that is held by the Plan and its participants is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company 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.

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments 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 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end. Participants who elect to diversify receive a cash distribution. As the Plan began on June 30, 2016, diversification is not yet offered to participants.

Forfeitures - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. There were $93,092 and $8,524 of forfeitures allocated to participant accounts in the years ended December 31, 2025 and 2024, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

Contribution Receivables - At December 31, 2025 and 2024, the Plan recorded an employer contribution receivable representing contributions due from the Company but not yet received as of year-end. The contribution is expected to be received subsequent to year-end. The 2024 contribution was received by the Plan in December 2025. Management has determined that no allowance for credit losses needed to be recorded at December 31, 2025.

Investment Valuation and Income Recognition - The shares of Company common stock are reported at fair value. See Note D for a discussion of fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought as well as held during the year.

Payment of Benefits - Benefits are recorded when paid.

Subsequent Events - The Plan has evaluated subsequent events through October 6, 2026, the date the financial statements were available to be issued.

NOTE C - INVESTMENTS

The Plan's investments, at December 31, are presented in the following table:

	2025		2024	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	924,932	975,068	827,425	1,072,575
Cost	$ 6,663,159	$ 7,024,341	$ 5,960,725	$ 7,726,775
Estimated fair value	$ 12,560,571	$ 13,241,429	$ 11,724,609	$ 15,198,391

NOTE D - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The Plan's fair value of its mutual fund investments are deemed to be actively traded (level 1). Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Security and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

The Plan's fair value of its investments in Palmer Companies, Inc. is measured using level 3 inputs.

The following table sets forth a summary of changes in the fair value of the Plan's level 3 asset (investment in Palmer Group, Inc.'s common stock) for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of year	$ 26,923,000	$ 25,878,000
Unrealized appreciation (depreciation) in estimated fair value (a)	(1,121,000)	1,045,000
Balance, end of year	$ 25,802,000	$ 26,923,000

(a) The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.

NOTE D - FAIR VALUE MEASUREMENTS - Continued

Gains and losses (unrealized) included in change in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

The Company common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon a combination of the market valuation approach and the discounted cash flow method (income approach). The independent appraiser took into account historical and projected cash flow and net income, return on assets, cost of equity, weighted average cost of capital, and comparable market data. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

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

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.

NOTE E - LOAN PAYABLE

In 2016, the Plan borrowed $13,687,500 from the Company to acquire 100% of the outstanding stock of the Company. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants when principal and interest payments are made. The number of shares released in any year is the number of shares held as collateral, multiped by the ratio of the current year payments, divided by the total of this year's payments, plus all future year's principal and interest payments.

This resulted in 97,506.8383 shares being released and allocated for each of the years ended December 31, 2025 and 2024. The agreement provides for the loan to be repaid over 20 years. The balance of the note payable as of December 31, 2025 and 2024 was $7,760,400 and $8,446,032, respectively. The loan bears interest at 2.24% compounding annually.

The scheduled amortization of the loan for the next five years and thereafter is as follows:

2026	$ 700,990
2027	716,692
2028	732,746
2029	749,159
2030	765,940
Thereafter	4,094,873
	$ 7,760,400

NOTE F – S-CORPORATION DIVIDENDS

The Company paid s-corporation divided to the Plan of $0.1024 per share or $194,459 during the year ended December 31, 2025.

NOTE G - RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

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

NOTE H - 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 to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE I - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Plan Trustee to pay all liabilities and expenses of the ESOP and to 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. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

NOTE J - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated December 1, 2017, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe the Plan is qualified, and the related tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE K - AMOUNTS OWED TO FORMER PARTICIPANTS

At December 31, 2025 and 2024, the Plan owed $1,224,327 and $2,996,899, respectively, to participants who had withdrawn from the Plan.

NOTE L - PLAN AMENDMENTS

On December 29, 2022, the Setting Every Community Up for Retirement Enhancement 2.0 Act of 2022 (SECURE Act 2.0) was enacted into law. Effective January 1, 2023, the SECURE Act 2.0 increased the required minimum distribution age to 73. Effective January 1, 2024, the SECURE Act 2.0 increased the mandatory distribution threshold from $5,000 to $7,000. The Plan is required to formally amended the Plan document by December 31, 2026, but must operate within the provisions within the effective date of each new provision. As of October 6, 2026, the Plan has not been formally amended to increase the requirement minimum distribution age to 73. The Plan was formally amended January 1, 2025 to be incompliance of the SECURE Acts and has increased the mandatory distribution threshold from $5,000 to $7,000.

Effective January 1, 2025, the Plan engaged a new Trustee. The Plan also changed the handling of individual accounts related to participants who are not an active employee of the employer (terminated employees). The Plan will direct the Trustee to convert the terminated participant' employer securities account into cash. Once it is converted to cash, it will be directly transferred to the Palmer Group 401(k) Plan as soon as administratively practicable. The cash will be invested in accordance with the participant's investment election or, if none, in the current qualified default investment alternative. The conversions will occur on the same schedule as distributions.

SUPPLEMENTAL SCHEDULE

PALMER GROUP EMPLOYEE STOCK OWNERSHIP PLAN

EIN 42-1480932 Plan #002

FORM 5500

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - DECEMBER 31, 2025

(a)	Identity of issuer, borrower, lessor or similar party. (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value. (c)	Cost (d)	Current Value (e)
*	Palmer Companies, Inc.	Common Stock (1,900,000 shares) @	$ 13,687,500	$ 25,802,000
	Interest bearing cash	Interest rate ranged from .50% to 1.92%	54,209	54,209
			$ 13,741,709	$ 25,856,209

* - Identifies party-in-interest

@ - Shares of Palmer Companies, Inc. common stock are privately held and therefore not readily determinable