

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

The Monarch Cement Company

A Kansas Corporation

P.O Box 1000, Humboldt, Kansas

620-473-2222

www.monarchcement.com

shareholder.relations@monarchcement.com

3241 – Cement, Hydraulic
3273 – Ready-Mixed Concrete

Annual Report

For the Period Ending: December 31, 2024

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,629,366 of our Common Stock as of December 31, 2024
1,127,643 of our Class B Common Stock as of December 31, 2024
2,543,867 of our Common Stock as of December 31, 2023
1,127,943 of our Class B Common Stock as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities, along with the dates of the name changes.

The Monarch Cement Company

Current State and Date of Incorporation or Registration:

Monarch was organized as a corporation under the laws of the State of Kansas on July 29, 1913

Standing in this jurisdiction: (e.g. active, default, inactive):

Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Pursuant to a Contribution Agreement among the Company, AYG, Inc. ("AYG") and RMCMO Holdings, LLC (the "JV"), on December 31, 2024 the Company contributed 100% of the issued and outstanding membership interests in Springfield Ready Mix, LLC, City Wide Constructions Products, LLC, and Kay Concrete Materials, LLC, and 114,618 shares of Monarch capital stock, each of which was valued at \$217.4926 per share, to the Joint Venture (JV). This contribution equates to 49% ownership of the JV.

The address(es) of the issuer's principal executive office:

The Monarch Cement Company
449 1200 Street
P.O. Box 1000
Humboldt, KS 66748

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Transfer Agent

Name: The Monarch Cement Company
Phone: 620-473-2222
Email: shareholder.relations@monarchcement.com
Address: 449 1200 Street
P.O. Box 1000
Humboldt, KS 66748-0900

Publicly Quoted or Traded Securities:

Trading symbol:	MCEM
Exact title and class of securities outstanding:	Capital Stock
CUSIP:	609031307
Par or stated value:	\$2.50
Total shares authorized:	10,000,000 as of December 31, 2024
Total shares outstanding:	2,629,366 as of December 31, 2024

Trading symbol:	MCEM
Exact title and class of securities outstanding:	Class B Capital Stock
CUSIP:	609031406
Par or stated value:	\$2.50
Total shares authorized:	10,000,000 as of December 31, 2024
Total shares outstanding:	1,127,643 as of December 31, 2024

Number of shares in the Public Float:	2,844,861 as of December 31, 2024
Total number of shareholders of record:	311 as of December 31, 2024

Security Description:

1. For common equity, describe any dividend, voting and preemption rights.

Each issued and outstanding share of our Capital Stock as of the close of business on the record date is entitled to one vote on each matter submitted to a vote at the annual meeting, and each issued and outstanding share of our Class B Capital Stock as of the close of business on the record date is entitled to ten votes on each matter submitted to a vote at the annual meeting.

We pay the same dividend on both Capital Stock and Class B Capital Stock.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

None.

3. Describe any other material rights of common or preferred stockholders.

Class B shares have restrictions on transferability, but they can always be converted into Capital Stock.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Pursuant to the provisions of Monarch's Articles of Incorporation governing the conversion of its Class B Capital Stock into Capital Stock no shares of Monarch's Capital Stock were issued in the year ended December 31, 2024, upon conversion of an equal number of shares of Monarch's Class B Capital Stock. The following changes occurred to shares during the past two years as indicated below:

Number of Shares outstanding as of 01/01/2022	Opening Balance: Capital: 2,624,310 Class B: 1,137,649								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
1/17/22	Conversion	850	Class B to Capital						
8/1/22	Issuance	15,239	Capital						
9/16/22	Retirement	2,383	Capital						
9/19/22	Retirement	3,753	Capital						
9/20/22	Conversion	5,374	Class B to Capital						
10/7/22	Conversion	1,000	Class B to Capital						
12/12/22	Retirement	58,186	Capital						

12/19/22	Retirement	4,000	Capital						
2/23/23	Conversion	412	Class B to Capital						
6/8/23	Conversion	645	Class B to Capital						
6/23/23	Retirement	14,999	Capital						
8/28/23	Retirement	2,670	Capital						
9/8/23	Retirement	750	Class B						
9/22/23	Retirement	690	Capital						
11/1/23	Conversion	675	Class B to Capital						
11/30/23	Retirement	4,870	Capital						
12/22/23	Retirement	3,900	Capital						
12/31/23	Retirement	9,187	Capital						
6/6/24	Retirement	1,100	Capital						
6/7/24	Retirement	5,239	Capital						
6/17/24	Retirement	2,800	Capital						
7/1/24	Conversion	300	Class B to Capital						
9/23/24	Retirement	280	Capital						
12/11/24	Retirement	20,000	Capital						
12/31/24	Issuance	114,618	Capital						
Shares Outstanding on 12/31/2024:	Ending Balance: Capital: 2,629,366 Class B: 1,127,643								

The Company received no payment in connection with the issuances of such shares. No underwriters were involved with the issuance of such shares and no commissions were paid in connection with such issuances. There was no advertisement or general solicitation made in connection with the issuance of such shares. Except as described above, Monarch did not issue or sell any shares of its Capital Stock or Class B Capital Stock during the year ended December 31, 2024.

B. Promissory and Convertible Notes

The Company has a current credit agreement with BOKF, NA dba Bank of Oklahoma which provides for a \$15.0 million revolving note maturing on December 31, 2025; the previous agreement matured on December 31, 2024. As of December 31, 2024, and December 31, 2023, there was nothing borrowed against the revolving loan.

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

4) Issuer's Business, Products and Services

A. Summarize the issuer's business operations

The Monarch Cement Company (Monarch) manufactures and sells portland cement. The manufacture of portland cement by Monarch involves the quarrying of clay and limestone and the crushing, drying and blending of these raw materials into the proper chemical ratio. The raw materials are then heated in kilns to 2800° Fahrenheit at which time chemical reactions occur forming a new compound called clinker. After the addition of a small amount of gypsum, the clinker is ground into a very fine powder that is known as portland cement. The term "portland cement" is not a brand name but is a term that distinguishes cement manufactured by this chemical process from natural cement, which is no longer widely used. Portland cement is the basic material used in the production of ready-mixed concrete that is used in highway, bridge and building construction where strength and durability are primary requirements.

Subsidiaries of Monarch (which together with Monarch are referred to herein as the "Company") are engaged in the ready-mixed concrete, concrete products and sundry building materials business. Ready-mixed concrete is manufactured by combining aggregates with portland cement, water and chemical admixtures in batch plants. It is then loaded into mixer trucks and mixed in transit to the construction site where it is delivered to the contractor. Concrete products primarily include pre-formed components produced by the Company that are ready for use in the construction of commercial buildings and institutional facilities.

B. List any subsidiaries, parent company, or affiliated companies.

Subsidiaries of Monarch include: American Concrete Company, Inc., Beaver Lake Concrete, Inc., Capitol Concrete Products Co., Inc., Concrete Enterprises, Inc., Concrete Materials, Inc., Dodge City Concrete, Inc., Hays Ready-Mix, Inc., Joplin Concrete Company, Inc., Kansas Sand and Concrete, Inc., Lion's Share Insurance, Inc., Monarch Cement of Iowa, Inc., Salina Concrete Products, Inc., and Tulsa Dynaspan, Inc. These subsidiaries are 100% owned by Monarch and can be contacted through Monarch.

Pursuant to a Contribution Agreement among the Company, AYG, Inc. ("AYG") and RMCMO Holdings, LLC (the "JV"), on December 31, 2024 the Company contributed 100% of the issued and outstanding membership interests in Springfield Ready Mix, LLC, City Wide Constructions Products, LLC, and Kay Concrete Materials, LLC, and shares of Monarch capital stock. This contribution equates to 49% ownership of the JV.

C. Describe the issuers' principal products or services.

The marketing area for Monarch's products, which is limited by the relatively high cost of transporting cement, consists primarily of the State of Kansas, the State of Iowa, southeast Nebraska, western Missouri, northwest Arkansas and northern Oklahoma. Included within this area are the metropolitan markets of Des Moines, Iowa; Kansas City, Missouri; Springfield, Missouri; Wichita, Kansas; Omaha, Nebraska; Lincoln, Nebraska; Fayetteville, Arkansas and Tulsa, Oklahoma. Sales of cement are made primarily to contractors, ready-mixed concrete plants, concrete products plants, building materials dealers and governmental agencies. Monarch cement is delivered either in bulk or in paper bags and is sold under the "MONARCH" brand name. The cement is distributed both by truck and rail, either common or private carrier.

Subsidiaries of Monarch sell ready-mixed concrete, concrete products and sundry building materials in Monarch's primary market.

5) Issuer's Facilities

The Company's corporate office and cement plant, including equipment and raw materials, are located at Humboldt, Kansas, approximately 110 miles southwest of Kansas City, Missouri. The Company owns approximately 5,000 acres of land on which the Humboldt plant, offices and all essential raw materials for the cement operations are located. Construction completed in 2006 increased our cement plant's capacity allowing us to produce in excess of one million tons of cement per year. Producing at that level, raw material reserves are estimated to be sufficient to maintain operations at this plant for

more than 50 years, although not all reserves are currently accessible under existing governmental permits and approvals. The Company believes that this plant and equipment are suitable and adequate for its current level of operations and provides for increases in market demand.

The Company also owns approximately 250 acres of land in Des Moines, Iowa on which it operates a cement terminal. The Company transfers cement produced in Humboldt, Kansas to this terminal for distribution to Iowa customers. The Company also owns a rock quarry located near Earlham, Iowa, approximately 30 miles west of Des Moines, Iowa. Approximately 353 acres of this 400 acre tract have been quarried and the Company has contracted with a third party to quarry and sell the remaining rock. This quarry operation does not have a material effect on the Company's overall operations.

The Company owns various companies which sell ready-mixed concrete, concrete products and sundry building materials within the Humboldt cement plant's primary market. Various equipment and facility improvements in this line of business ensure these plants are suitable and adequate for their current level of operations and provide for increases in market demand. No single subsidiary's physical property is materially significant to the Company.

There are no material encumbrances on our properties.

6) All Officers, Directors, and Control Persons of the Company

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Walter H. Wulf, Jr.	Officer/Director	Humboldt, KS	169,452	Capital	6.44%	
			195,525	Class B	17.36%	
Kent A. Webber	Officer/Director	Chanute, KS	4,380	Capital	*	
Robert M. Kissick	Officer/Director	Leawood, KS	13,482	Capital	*	
			39,903	Class B	3.54%	
Tony D. Kasten	Officer	Chanute, KS	120	Capital	*	
Lisa J. Fontaine	Officer	Iola, KS	2,500	Capital	*	
Douglas W. Sommers	Officer	Chanute, KS	800	Capital	*	
Mark A. Callaway	Director	Wichita, KS	5,993	Class B	*	
David L. Deffner	Director	Gulf Shores, AL	11,863	Class B	1.05%	
Gayle C. McMillen	Director	Salina, KS	34,410	Class B	3.05%	
Byron J. Radcliff	Director	Steamboat Springs, CO	4,250	Capital	*	
			1,000	Class B	*	
Robert K. Radcliff	Director	Chicago, IL	4,250	Capital	*	
Steve W. Sloan	Director	Pittsburg, KS	2,000	Capital	*	
Michael R. Wachter	Director	Kent, WA	1,600	Capital	*	
			600	Class B	*	
Walter H. Wulf, III	Director	Birmingham, MI	3,800	Capital	*	
			4,500	Class B	*	

Paula D. Radcliff	Owner of more than 5%	Dexter, KS	199,760	Capital	7.59%	
			211,960	Class B	18.82%	

*Less than one percent.

7) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
None
2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;
None
3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
None
4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or
None
5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.
None
6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.
None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Securities Counsel

Firm: Stinson LLP
Address 1: 1201 Walnut Street, Suite 2900
Address 2: Kansas City, MO 64106-2150

Accountant or Auditor

Firm: Grant Thornton, LLP
Address 1: 1201 Walnut Street, Suite 2200
Address 2: Kansas City, MO 64106

Phone: (816) 412-2400

Investor Relations Consultant

Firm: Stinson LLP
Address 1: 1201 Walnut Street, Suite 2900
Address 2: Kansas City, MO 64106-2150

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Tony Kasten
Title: Chief Financial Officer, Sec./Tres.
Relationship to Issuer: Officer

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Tony Kasten
Title: Chief Financial Officer, Sec./Tres.
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements: Mr. Kasten is a CPA with over 20 years of experience working with complex consolidated financial statements. He has served the company as Chief Financial Officer since 2019 and has a B.B.A in Finance and an M.B.A. with an emphasis in Accounting.

10) Issuer Certification

Principal Executive Officer:

I, Walter H. Wulf, Jr. certify that:

1. I have reviewed this Disclosure Statement for The Monarch Cement Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 14, 2025

/s/ Walter H. Wulf, Jr.
Chairman of the Board and
Chief Executive Officer

Principal Financial Officer:

I, Tony Kasten certify that:

1. I have reviewed this Disclosure Statement for The Monarch Cement Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

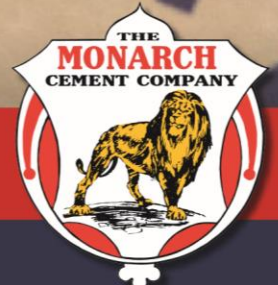
March 14, 2025

/s/ Tony Kasten
Chief Financial Officer
Secretary-Treasurer



BOLDT, KANSAS

THE MONARCH CEMENT COMPANY



2024 ANNUAL REPORT

TO OUR SHAREHOLDERS



March 14, 2025

To Our Valued Shareholders:

I am honored to present the 2024 Annual Report for The Monarch Cement Company. Reflecting on the past year, we are immensely proud of the progress we have achieved and the resilience we have demonstrated in overcoming numerous challenges.

Our top-line revenues grew by \$5.3 million, reaching \$268.1 million. Gross profit increased by \$6.2 million, totaling \$98.4 million, and net income from operations increased by \$3.8 million, amounting to \$73.7 million. These remarkable results are a testament to the hard work and dedication of our employees who remain at the heart of our business. We deeply appreciate their unwavering commitment.

Progress continues on the solar field project located northeast of our cement manufacturing plant in Humboldt, Kansas. Spanning 100 acres, this project is expected to generate 20 megawatts of electricity, potentially reducing demand on the grid by 25% and providing an equivalent savings in energy costs. The project is on track to become operational in May 2025.

Looking to the future, we remain confident in our strategic direction and our ability to navigate the dynamic business environment. Innovation, sustainability, and operational efficiency will remain at the forefront of our priorities. Our commitment to creating shareholder value has never been stronger.

We extend our heartfelt appreciation to all our shareholders for their trust and ongoing investment in The Monarch Cement Company. The confidence you have placed in us with your investment dollars is a responsibility we hold in the highest regard. To our long-standing shareholders, we offer our deepest thanks for your unwavering loyalty. Should circumstances arise where you may need to sell your shares of Monarch stock, we encourage you to contact either myself or Lisa Fontaine at 620-473-2222. Alternatively, you can reach us by email at walter.wulf@monarchcement.com or lisa.fontaine@monarchcement.com.

With the continued blessings and guidance of our Heavenly Father, we remain steadfast in our commitment to the success of this great American company.

WALTER H. WULF, JR.
CEO and Chairman of the Board

2024 FINANCIAL RESULTS

<i>in thousands, except per share data</i>	2024	2023	2022
FOR THE YEAR			
Net sales	\$ 268,055	\$ 262,756	\$ 232,596
Net income	66,051	73,692	40,876
PER SHARE INFORMATION			
Basic earnings per share	\$ 18.02	\$ 19.92	\$ 10.86
Cash dividends declared per share	4.75	6.24	4.83
Stockholders' equity per share	107.51	90.99	77.57
YEAR END POSITION			
Total assets	\$ 458,289	\$ 381,342	\$ 324,189
Long-term debt obligations	-	-	-

Consolidated net sales for the year ended December 31, 2024, were approximately \$268.1 million, an increase of \$5.3 million as compared to the year ended December 31, 2023. Sales in our Cement Business were higher by \$0.5 million and sales in our Ready-Mixed Concrete Business were also higher by \$4.8 million. Cement Business sales decreased \$12.2 million due to a 7.8% decrease in volume sold and increased \$12.7 million due to price increases. Ready-mixed concrete sales decreased \$0.9 million due to a 1.0% decrease in cubic yards sold and increased \$4.9 million due to price increases. Sales for brick, block, aggregates and other sundry items increased \$0.8 million.

Consolidated cost of sales for 2024 were \$0.9 million lower than cost of sales for 2023. Cost of sales in our Cement Business decreased \$5.6 million and cost of sales in our Ready-Mixed Concrete Business increased \$4.7 million. Cement Business cost of sales decreased \$6.3 million due to the 7.8% decrease in volume sold and increased \$0.7 million due to the increases in production costs. Ready-Mixed Concrete Business cost of sales decreased \$0.8 million due to the 1.0% decrease in cubic yards of ready-mixed concrete sold and increased \$5.3 million due to increases in material, production and delivery costs. Cost of sales for brick, block, aggregates and other sundry items increased \$0.2 million.

As a result of the above sales and cost of sales factors, our overall gross profit rate for the year ended December 31, 2024, was 36.7% compared to 35.1% for the year ended December 31, 2023. The Cement Business gross profit rate increased from 48.7% for 2023 to 52.4% for 2024. The gross profit rate for Ready-Mixed Concrete Business decreased from 15.0% for 2023 to 14.4% for 2024.

Selling, general and administrative expenses increased by \$2.4 million for the year ended December 31, 2024, as compared to the year ended December 31, 2023. These costs are normally considered fixed costs that do not vary significantly with changes in sales volume.

Unrealized gain (loss) on equity investments decreased \$13.2 million for the year ended December 31, 2024, compared to the year ended December 31, 2023. Other, net contains miscellaneous non-operating income (expense) items excluding interest income, interest expense, gains (losses) on sale of equity investments, gain on deconsolidation of subsidiaries, pension and postretirement benefit income, unrealized gains (losses) on equity investments and dividend income.

The effective tax rates for 2024 and 2023 were 26.0% and 21.1%, respectively. The Company's effective tax rate differs from the federal and state statutory income tax rate primarily due to the effects of percentage depletion and state tax credits. During 2024 and 2023, percentage depletion decreased the effective tax rate by 1.1% and 1.1%, respectively. During 2024 and 2023, state tax credits decreased the effective tax rate by 2.2% and 2.3%, respectively.

Certain statements in this Annual Report constitute "forward-looking statements". Except for historical information, the statements made in this report are forward-looking statements that involve risks and uncertainties. You can identify these statements by forward-looking words such as "should", "anticipate", "believe", "intend", "may", "forecast" or similar words. In particular, statements with respect to the timing, scope, cost and benefits of our proposed and recently completed capital improvements and expansion plans, including potential fuel savings, projected installation costs and other cash needs, and our forecasted cement sales are all forward-looking statements. You should be aware that forward-looking statements involve known and unknown risks, uncertainties, and other factors that may affect the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: general economic and business conditions; competition; raw material and other operating costs; costs of capital equipment; changes in business strategy or expansion plans; demand for our Company's products; cyclical and seasonal nature of our business; the affect weather has on our business; the effect of environmental and other government regulation; and the effect of federal and state funding on demand for our products.

GRANT THORNTON LLP

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Kansas City, MO 64106

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
The Monarch Cement Company

Opinion

We have audited the consolidated financial statements of The Monarch Cement Company (a Kansas corporation) and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Other information included in the annual report

Management is responsible for the other information included in the annual report. The other information comprises the 2024 financial results and the Chairman of the Board's statement but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ GRANT THORNTON LLP

Kansas City, Missouri
March 14, 2025

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS:		
Cash, cash equivalents and restricted cash (including \$5,489,029 and \$3,791,238 of restricted cash at December 31, 2024 and 2023, respectively)	\$ 48,806,876	\$ 52,864,938
Receivables, less allowances of \$350,000 in 2024 and \$473,500 in 2023 for credit losses	23,222,405	25,794,599
Inventories		
Finished cement	11,007,073	10,048,233
Work in process	8,924,019	6,739,802
Building products	3,049,301	2,931,778
Fuel, gypsum, paper sacks and other	15,950,833	11,806,201
Operating and maintenance supplies	28,597,808	27,416,121
Total inventories	67,529,034	58,942,135
Short-term investments	17,623,051	4,420,498
Derivative financial instruments	691,980	517,510
Prepaid expenses	1,173,989	2,042,227
Total current assets	159,047,335	144,581,907
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation and depletion of \$297,107,344 in 2024 and \$300,396,613 in 2023	170,267,861	147,936,843
PREPAID PENSION	13,627,564	11,123,760
INVESTMENTS	59,885,317	57,214,802
INVESTMENTS IN AFFILIATES	50,529,747	15,560,406
OTHER ASSETS	4,930,903	4,924,715
TOTAL ASSETS	\$ 458,288,727	\$ 381,342,433
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,664,730	\$ 10,471,400
Accrued liabilities		
Dividends	2,824,007	2,496,830
Compensation and benefits	4,015,005	4,146,057
Federal and state income taxes	3,407,833	6,730,880
Miscellaneous taxes	254,657	346,355
Other	640,572	2,040,908
Total current liabilities	17,806,804	26,232,430
DEFERRED INCOME TAXES	25,809,829	9,402,833
ACCRUED COMPENSATION AND BENEFITS	202,952	217,937
ACCRUED POSTRETIREMENT BENEFITS	10,541,231	11,373,403
STOCKHOLDERS' EQUITY		
Capital stock, par value \$2.50 per share, one vote per share - Authorized 10,000,000 shares, Issued and Outstanding 2,629,366 shares at 12/31/2024 and 2,543,867 shares at 12/31/2023	6,573,415	6,359,668
Class B capital stock, par value \$2.50 per share, supervoting rights of ten votes per share, restricted transferability, convertible at all times into Capital Stock on a share-for-share basis - Authorized 10,000,000 shares, Issued and Outstanding 1,127,643 shares at 12/31/2024 and 1,127,943 shares at 12/31/2023	2,819,107	2,819,857
Additional paid-in capital	28,689,144	4,047,123
Retained earnings	368,506,150	326,002,394
Accumulated other comprehensive loss	(2,659,905)	(5,113,212)
TOTAL STOCKHOLDERS' EQUITY	\$ 403,927,911	\$ 334,115,830
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 458,288,727	\$ 381,342,433

See accompanying Notes to the Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
NET SALES	\$ 268,054,500	\$ 262,755,888	\$ 232,595,948
COST OF SALES	169,655,515	170,531,732	160,829,359
Gross profit from operations	98,398,985	92,224,156	71,766,589
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	24,738,670	22,386,471	21,755,750
Income from operations	73,660,315	69,837,685	50,010,839
OTHER INCOME (EXPENSE)			
Interest income	1,980,299	1,275,990	335,736
Interest expense	(1,674)	(7,252)	(6,822)
Gain on sale of equity investments	2,208,766	808,365	6,846,441
Unrealized gain (loss) on equity investments	2,880,000	16,060,000	(9,330,000)
Gain on deconsolidation of subsidiaries	1,808,684	-	-
Dividend income	1,996,650	1,711,272	1,369,005
Pension and Postretirement benefits	357,407	218,468	1,914,476
Other, net	2,190,213	898,226	264,424
	<u>13,420,345</u>	<u>20,965,069</u>	<u>1,393,260</u>
Income before income taxes	87,080,660	90,802,754	51,404,099
PROVISION FOR INCOME TAXES	22,630,000	19,115,000	11,710,000
Equity in affiliate earnings, net of tax	1,600,379	2,004,676	1,182,077
NET INCOME	\$ 66,051,039	\$ 73,692,430	\$ 40,876,176
Basic earnings per share	\$ 18.02	\$ 19.92	\$ 10.86

See accompanying Notes to the Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
NET INCOME	\$ 66,051,039	\$ 73,692,430	\$ 40,876,176
OTHER COMPREHENSIVE INCOME (LOSS), net of deferred tax			
PENSION AND POSTRETIREMENT, CURRENT YEAR ACTUARIAL GAIN (Net of deferred tax expense (benefit) of \$820,000, \$282,000 and \$3,610,000, for 2024, 2023 and 2022, respectively)	2,330,396	791,341	10,265,438
PENSION AND POSTRETIREMENT, CURRENT YEAR PRIOR SERVICE LOSS (Net of deferred tax (benefit) expense of \$-0-, \$-0-, and \$(5,000), for 2024, 2023 and 2022, respectively)	11,587	-	(9,559)
AMORTIZATION OF PENSION AND POSTRETIREMENT PRIOR SERVICE COST (Net of deferred tax benefit of \$-0-, \$(80,000) and \$(405,000), for 2024, 2023 and 2022, respectively)	6,997	(225,617)	(1,151,194)
AMORTIZATION OF PENSION AND POSTRETIREMENT LOSS (Net of deferred tax expense of \$40,000, \$90,000 and \$375,000, for 2024, 2023 and 2022, respectively)	104,327	248,715	1,070,470
OTHER COMPREHENSIVE INCOME, net of deferred tax	\$ 2,453,307	\$ 814,439	\$ 10,175,155
COMPREHENSIVE INCOME	\$ 68,504,346	\$ 74,506,869	\$ 51,051,331

See accompanying Notes to the Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Company Stockholders					
	Capital Stock	Class B Capital Stock	Additional Paid-In Capital	Retained Earnings (As adjusted)	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total (As adjusted)
BALANCE						
JANUARY 1, 2022	\$ 6,560,775	\$ 2,844,123	\$ 2,485,125	\$ 264,635,013	\$ (16,102,806)	\$ 260,422,230
Net income	-	-	-	40,876,176	-	40,876,176
Dividends declared (\$4.83 per share)	-	-	-	(18,153,658)	-	(18,153,658)
Transfer of shares	18,060	(18,060)	-	-	-	-
Retirement of capital stock	(170,805)	-	-	(7,059,951)	-	(7,230,756)
Issuance of \$15,239 shares with market value of \$105.00 per share	38,098	-	1,561,998	-	-	1,600,096
Pension and Postretirement current year actuarial gain	-	-	-	-	10,265,438	10,265,438
Pension and Postretirement current year prior service credit	-	-	-	-	(9,559)	(9,559)
Amortization of Pension and Postretirement prior service cost	-	-	-	-	(1,151,194)	(1,151,194)
Amortization of Pension and Postretirement loss	-	-	-	-	1,070,470	1,070,470
BALANCE						
DECEMBER 31, 2022	\$ 6,446,128	\$ 2,826,063	\$ 4,047,123	\$ 280,297,580	\$ (5,927,651)	\$ 287,689,243
Net income	-	-	-	73,692,430	-	73,692,430
Dividends declared (\$6.24 per share)	-	-	-	(23,027,666)	-	(23,027,666)
Transfer of shares	4,331	(4,331)	-	-	-	-
Retirement of capital stock	(90,791)	(1,875)	-	(4,959,950)	-	(5,052,616)
Pension and Postretirement current year actuarial gain	-	-	-	-	791,341	791,341
Amortization of Pension and Postretirement prior service cost	-	-	-	-	(225,617)	(225,617)
Amortization of Pension and Postretirement loss	-	-	-	-	248,715	248,715
BALANCE						
DECEMBER 31, 2023	\$ 6,359,668	\$ 2,819,857	\$ 4,047,123	\$ 326,002,394	\$ (5,113,212)	\$ 334,115,830
Net income	-	-	-	66,051,039	-	66,051,039
Dividends declared (\$4.75 per share)	-	-	-	(17,424,595)	-	(17,424,595)
Transfer of shares	750	(750)	-	-	-	-
Retirement of capital stock	(73,548)	-	-	(6,122,688)	-	(6,196,236)
Issuance of 114,618 shares with market value of \$217.49 per share	286,545	-	24,642,021	-	-	24,928,566
Pension and Postretirement current year actuarial gain	-	-	-	-	2,330,396	2,330,396
Pension and Postretirement current year prior service credit	-	-	-	-	11,587	11,587
Amortization of Pension and Postretirement prior service cost	-	-	-	-	6,997	6,997
Amortization of Pension and Postretirement loss	-	-	-	-	104,327	104,327
BALANCE						
DECEMBER 31, 2024	\$ 6,573,415	\$ 2,819,107	\$ 28,689,144	\$ 368,506,150	\$ (2,659,905)	\$ 403,927,911

See accompanying Notes to the Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
OPERATING ACTIVITIES:			
Net income	\$ 66,051,039	\$ 73,692,430	\$ 40,876,176
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	17,416,794	16,552,446	15,927,494
Change in fair value of derivative financial instruments	125,530	551,956	(3,635,055)
Income from equity in affiliate investments, net of dividends	(1,490,811)	(1,916,591)	(1,104,735)
Decrease in long-term notes receivable	-	-	13,113
Deferred income taxes	14,677,858	2,614,988	(1,723,208)
Gain on disposal of assets	(190,884)	(1,778,935)	(1,689,093)
Realized gain on sale of equity investments	(2,208,766)	(808,365)	(6,846,441)
Unrealized holding (gain) loss on equity investments	(2,880,000)	(16,060,000)	9,330,000
(Gain) loss on deconsolidation of subsidiaries	(1,808,684)	-	-
Postretirement benefits and pension expense	(44,669)	54,218	(844,036)
Change in assets and liabilities:			
Receivables, net	(926,590)	(3,266,334)	688,772
Inventories	(9,326,609)	(12,260,351)	(4,013,300)
Income taxes refundable/payable	3,323,047	6,181,612	(453,604)
Prepaid expenses	797,635	943,360	(2,152,572)
Other assets	(306,438)	801,118	2,598,741
Accounts payable and accrued liabilities	(9,567,654)	1,046,295	2,054,534
Net cash provided by operating activities	<u>\$ 73,640,798</u>	<u>\$ 66,347,847</u>	<u>\$ 49,026,786</u>
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	\$ (44,549,392)	\$ (41,561,214)	\$ (33,964,885)
Proceeds from disposals of property, plant and equipment	1,229,289	2,623,884	1,929,259
Payment for acquisition of business, net of cash acquired	-	-	84,121
Payment for purchases of short-term investments	(13,202,553)	(4,420,498)	-
Payment for purchases of equity investments	(257,073)	(104,360)	(4,628,549)
Proceeds from sale of equity investments	2,675,324	1,916,483	15,476,742
Payment for acquisition of equity method investments	(300,800)	-	(543,500)
Net cash used for investing activities	<u>\$ (54,405,205)</u>	<u>\$ (41,545,705)</u>	<u>\$ (21,646,812)</u>
FINANCING ACTIVITIES:			
Payments on other long-term debt	\$ -	\$ -	\$ -
Cash dividends paid	(17,097,418)	(22,793,250)	(17,960,321)
Purchase of capital stock	(6,196,237)	(5,052,616)	(7,230,756)
Net cash used for financing activities	<u>\$ (23,293,655)</u>	<u>\$ (27,845,866)</u>	<u>\$ (25,191,077)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (4,058,062)	\$ (3,043,724)	\$ 2,188,897
Cash, cash equivalents and restricted cash, beginning of year	<u>52,864,938</u>	<u>55,908,662</u>	<u>53,719,765</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 48,806,876</u>	<u>\$ 52,864,938</u>	<u>\$ 55,908,662</u>
Supplemental disclosures:			
Interest paid, net of amount capitalized	\$ 1,674	\$ 7,252	\$ 6,822
Income taxes paid	10,223,886	10,427,873	13,915,148
Income tax refund	189,011	109,049	24,032
Capital equipment additions included in accounts payable and accrued liabilities	107,087	287,116	174,245
Capital stock repurchases included in accrued liabilities	4,650	4,650	4,650
Dividends payable included in accrued liabilities	2,824,007	2,496,830	2,262,414

See accompanying Notes to the Consolidated Financial Statements

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Nature of Operations**--The Monarch Cement Company (Monarch) is principally engaged in the manufacture and sale of portland cement. The marketing area for Monarch's products consists primarily of the State of Kansas, the State of Iowa, southeast Nebraska, western Missouri, northwest Arkansas and northern Oklahoma. Sales are made primarily to contractors, ready-mixed concrete plants, concrete products plants, building materials dealers and governmental agencies. Subsidiaries of Monarch (which together with Monarch are referred to herein as the "Company") sell ready-mixed concrete, concrete products and sundry building materials within Monarch's marketing area.

b) **Principles of Consolidation**--Monarch has direct control of certain operating companies that have been deemed to be subsidiaries within the meaning of accounting principles generally accepted in the United States of America. Accordingly, the financial statements of such companies have been consolidated with Monarch's financial statements. All significant intercompany transactions have been eliminated in consolidation.

We use the equity method to account for investments in companies if the investment provides the ability to exercise significant influence, but not control, over operating and financial policies of the companies in which we invest. Investments accounted for under the equity method are recorded initially at cost and subsequently adjusted for our share of the net income or loss and cash contributions and distributions to or from these entities. Our proportionate share of the net income or loss of these companies is included in consolidated net income. Our equity method investments involve entities for which it is not practical to determine fair value.

c) **Use of Estimates**--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) **Cash, Cash Equivalents and Restricted Cash**--The Company considers all liquid investments with original maturities of three months or less which we do not intend to roll over beyond three months to be cash equivalents. At December 31, 2024 and 2023, cash equivalents consisted primarily of money market investments and repurchase agreements with various banks.

The Federal Deposit Insurance Corporation's (FDIC) standard maximum deposit insurance amount fully guarantees all deposit accounts up to \$250,000. At times, cash in banks may be in excess of the FDIC limits. At December 31, 2024, the Company had \$10.1 million in overnight investment accounts (including money market mutual funds – Level 1) that were not covered by FDIC's general deposit insurance in addition to \$22.2 million in short term investments and \$30.8 million in general deposits that exceeded FDIC limits. The investment accounts assets are normally 80% invested in U.S. Treasury securities and repurchase agreements for those securities. We have not experienced any losses in our accounts due to exceeding FDIC insurance limits or lack of FDIC coverage.

The Company's wholly-owned captive insurance company, Lion's Share Insurance, Inc., maintains certain operating bank accounts, working trust accounts, and investment accounts. The cash, cash equivalents and restricted cash within these accounts are restricted by insurance regulations to fund the insurance claim losses to be paid by the captive insurance companies and are included in "Cash, Cash Equivalents and Restricted Cash" in the consolidated balance sheets.

e) **Investments**--Equity securities for which the Company has no immediate plan to sell but that may be sold in the future are classified as available for sale. Our equity securities are carried at fair value and unrealized gains and losses, are recorded in net income. Realized gains and losses, based on the specifically identified cost of the security, are included in net income.

f) **Receivables**--Accounts receivable are stated at the amount billed to customers. The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

At December 31, 2024, the Company had one customer that comprised approximately fourteen percent (14%) of total outstanding accounts receivable. At December 31, 2023, the Company had one customer that comprised approximately thirteen percent (13%) of total outstanding accounts receivable.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326)” (“ASU 2016-13”). ASU 2016-13 requires that entities estimate credit losses based upon an “expected credit loss” approach rather than the “incurred loss” approach. The new approach requires entities to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable forecasts of collectability. The Company adopted ASU 2016-13 effective January 1, 2023. Adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

The following is a rollforward of the allowance for credit losses for the years ended December 31, 2024 and 2023.

	2024	2023
Balance at Beginning of Year	\$ 473,500	\$ 403,500
Current Expense	35,147	84,391
Write-offs	158,951	53,867
Recoveries	304	39,476
Balance at End of Year	<u>\$ 350,000</u>	<u>\$ 473,500</u>

g) **Inventories**--Inventories of finished cement and work in process are recorded using the average cost method. The cost of manufactured items includes all material, labor, factory overhead and production-related administrative overhead required in their production.

Other inventories are purchased from outside suppliers. Fuel and other materials are priced by the first-in, first-out (FIFO) method while operating and maintenance supplies are recorded using the average cost method.

Inventories of fuel, gypsum, paper sacks and other are used in the manufacture of cement. The operating and maintenance supplies consist primarily of spare parts for our cement manufacturing equipment.

h) **Property, Plant and Equipment**--Property, plant and equipment are stated at cost of acquisition or construction. The Company capitalizes the cost of interest on borrowed funds used to finance the construction of property, plant and equipment. The Company did not capitalize any interest in 2024, 2023 or 2022.

The Company records depreciation, depletion and amortization related to manufacturing operations in Cost of Sales; those related to general operations are recorded in Selling, General and Administrative Expenses; and those related to non-operational activities are in Other, net on the Consolidated Statements of Income. The approximate amounts included in each line item as of December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Cost of Sales	\$ 16,100,000	\$ 15,400,000	\$ 14,700,000
Selling, General and Administrative Expenses	900,000	900,000	1,000,000
Other, net	400,000	300,000	300,000
Total	<u>\$ 17,400,000</u>	<u>\$ 16,600,000</u>	<u>\$ 16,000,000</u>

Depreciation of property, plant and equipment is provided by charges to operations over the estimated useful lives of the assets using accelerated methods. The majority of the Company’s buildings, machinery and equipment are depreciated using 200% (double) declining balance depreciation. Some of the assets used in the Cement Business

manufacturing process are depreciated using 150% declining balance depreciation. The Company switches to straight line depreciation once it exceeds the amount computed under the declining balance method being used until the asset is fully depreciated. The Company does not depreciate construction in process. Depletion rates for quarry lands are designed to amortize the cost over the estimated recoverable reserves. Expenditures for improvements that significantly increase the assets' useful lives are capitalized while maintenance and repairs are charged to expense as incurred.

The Company continually evaluates whether events or changes in circumstances have occurred that would indicate that the carrying amount of long-lived assets may not be recoverable. An impairment loss would be recognized and the asset cost would be adjusted to fair value when undiscounted estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The impairment loss would be the amount by which the carrying amount of a long-lived asset exceeds its fair value. Various factors that the Company considers in its review include changes in expected use of the assets, changes in technology, changes in operating performance and changes in expected future cash flows. No asset impairment was recognized in 2024, 2023 and 2022.

i) **Income Taxes**--Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized. The Company uses the specific identification (or portfolio) method for reclassifying material stranded tax effects in accumulated other comprehensive loss (AOCL) to earnings.

j) **Revenue Recognition**--The Company records revenue from the sale of cement, ready-mixed concrete, concrete products and sundry building materials following delivery of the products to customers, which is the point in time when the Company's performance obligation with the customer is satisfied. If the Company receives advance payment on orders, we defer revenue recognition until the product is delivered. See Note 12 "Lines of Business" for the Company's revenue disaggregated by segment for 2024, 2023 and 2022.

k) **Cost of Sales**--The Company considers all production and shipping costs, (gain) loss on disposal of operating assets, inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs and derivative financial instruments as cost of sales.

l) **Selling, General and Administrative Expenses**--Selling, general and administrative expenses consist of sales personnel salaries and expenses, promotional costs, accounting and IT personnel salaries and expenses, director and administrative officer salaries and expenses, legal and professional expenses and other expenses related to overall corporate costs.

m) **Other, net**--Other, net contains miscellaneous nonoperating income (expense) items excluding interest income, interest expense, gains (losses) on sale of equity investments, pension and postretirement benefit income, unrealized gains (losses) on equity investments and dividend income.

n) **Earnings per Share**--Basic earnings per share is based on the weighted average common shares outstanding during each year. Diluted earnings per share are based on the weighted average common and common equivalent shares outstanding each year. Monarch has no common stock equivalents or participating securities and therefore does not report diluted earnings per share. The weighted average number of shares outstanding was 3,665,787 in 2024, 3,698,829 in 2023 and 3,763,222 in 2022.

o) **Taxes Collected from Customers and Remitted to Governmental Authorities**--Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated statements of income on a net basis.

p) **Self Insurance**--The Company has elected to self-insure certain costs related to employee and retiree health and accident benefits programs. Costs resulting from self-insured losses are charged to income when incurred. Health benefits provided to employees in the Ready-Mixed Concrete Business and health and accident benefits

provided to employees in the Cement Business are totally self-insured but are subject to an individual stop loss of \$100,000 and \$200,000 for the Ready-Mixed Concrete Business and the Cement Business, respectively, with an aggregate stop loss of 120% for both lines of business.

The Company also has established a wholly owned captive insurance company, Lion’s Share Insurance, Inc., to mitigate the rising costs and risks associated with property and casualty insurance. Loss reserves consist of provisions for unpaid losses and loss adjustment expenses which are determined using individual case-basis valuation and actuarial projection of costs using industry sources. These estimates are subject to the effects of trends in loss severity and frequency, the impact of changes in the regulatory environment and economic conditions, and changes in such estimates may be material. Although considerable variability is inherent in such estimates, management believes the reserves for losses and loss adjustment expenses are adequate. These estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. Management believes the statute of limitations in various states, which runs from the date of incident, limits the Company’s exposure. The following is a summary of changes in the liability for loss reserves for the years ended December 31, 2024 and 2023:

	2024	2023
Balance at January 1	\$ 1,626,400	\$ 923,408
Incurred related to:		
Current year	2,069,600	1,444,592
Prior years	-	-
Total incurred	<u>3,696,000</u>	<u>2,368,000</u>
Paid related to:		
Current year	375,044	134,547
Prior years	<u>1,377,695</u>	<u>607,053</u>
Total paid	<u>1,752,739</u>	<u>741,600</u>
Balance at December 31	<u>\$ 1,943,261</u>	<u>\$ 1,626,400</u>

Approval from the Nevada Division of Insurance was obtained to begin operating as a captive insurance company effective January 1, 2022. As 2022 was the first year of operations for the Company’s captive, there was no activity that related to prior years.

q) **Disclosure about Fair Value of Financial Instruments**--Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Cash and cash equivalents, receivables, accounts payable and short and long-term debt have carrying values that approximate fair values. Investment fair values equal quoted market prices, if available. If quoted market prices are not available, fair value is estimated based on quoted market prices of similar securities.

r) **Intangibles - Goodwill and Other**--Goodwill represents the excess of cost over the fair value of net assets of businesses acquired. Goodwill acquired in a purchase business combination is not amortized but is tested for impairment on an annual basis or whenever events or circumstances indicate such asset may be impaired. The Company performed a qualitative assessment of its goodwill during the fourth quarter of 2024, 2023 and 2022 and determined that its goodwill is not impaired and therefore no impairment was required.

Goodwill is approximately \$4.9 million at December 31, 2024 and 2023, and is included in Other Assets.

s) **Recent Accounting Pronouncements – Adoption of Segment Reporting Standard** --In November 2023, FASB issued Accounting Standard Update (“ASU”) 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures, which includes requirements for more robust disclosures of significant segment expenses and information used in assessing segment performance on an annual and interim basis. The guidance also requires that a public entity that has a single reportable segment provide all the disclosures required by the guidance and all existing segment disclosures under the FASB Accounting Standards Codification (“ASC”) Topic 280, Segment Reporting. This standard is effective for the Company’s annual period beginning January 1, 2024 and interim periods

beginning January 1, 2025 and should be applied retrospectively to all comparative periods. Effective with this Report, the Company adopted this ASU. Refer to Note 12 (“Lines of Business”) for the required segment disclosures.

(2) FAIR VALUE

Realized gains (losses) on equity investments are computed using the specific identification method. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies mark-to-market accounting to derivative instruments that are not accounted for as hedges.

Cash and cash equivalents, receivables, accounts payable and short and long-term debt have carrying values that approximate fair values. The Company’s valuation techniques used to measure the fair value of its marketable equity securities were derived from quoted prices in active markets for identical assets. Equity investments that do not have readily determinable market prices were remeasured to fair value upon the occurrence of an observable price change.

The Company has no liabilities at either date requiring remeasurement to fair value on a recurring basis in the balance sheet. The Company has no additional assets or liabilities at either date requiring remeasurement to fair value on a non-recurring basis in the balance sheet.

(3) DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into derivative transactions to hedge its exposures to commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

The Company enters into energy commodity-based derivatives in order to protect cash flows from fluctuations caused by volatility in the commodity prices in order to protect gross margins from potentially adverse effects of market and price volatility on diesel fuel. These hedges are not designated as effective hedges for accounting purposes. For derivative instruments that are not accounted for as hedges, the Company applies mark-to-market accounting with the change in fair value that is recorded through earnings in the period of change. Derivative fair market gains and losses are included in the results of operations and are included in cost of sales.

As part of the hedging activity, the Company is required to maintain certain levels of cash (margin deposits) with the clearing broker. The net of the margin deposits and equity value of the open positions must be a positive balance or additional cash is required. At times, this balance will be negative, thus requiring additional cash deposits within a specified time period. If the balance is negative as of the date of the balance sheets, this is reported as a current liability on the balance sheets. The corresponding market value of the open positions is reported as a current asset (or liability) on the consolidated balance sheets.

The following table provides the fair value (see Note 2) of the Company’s derivative financial instruments not designated as hedging instruments:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Balance Sheet Classification</u>	<u>2024</u>	<u>2023</u>
Futures Contracts (Level 2)	Derivative financial instruments	\$ 691,980	\$ 517,510

The net effect of derivatives not designated as hedges on the Statements of Income for the years ended December 31, 2024, 2023 and 2022:

Derivatives Not Designated as Hedging Instruments	Income Statement Classification	2024	2023	2022
Futures Contracts (Level 2)	Cost of Sales	\$ 125,530	\$ 551,956	\$ (3,635,055)

(4) INVESTMENTS

Short-term Investments

These investments consist of Certificates of Deposit and Treasury Bills. They are all Level 1 fair value investments.

Balance Sheet Classification	2024	2023
Short-term Investments	\$ 17,623,051	\$ 4,420,498

Equity Investments

The following table shows the gross unrealized gains (losses) recorded in the income statement aggregated by investment category at:

	2024	2023	2022
Cement industry	\$ 2,855,000	\$ 7,330,000	\$ (6,620,000)
General building materials industry	4,245,000	4,595,000	(5,350,000)
Oil & gas refining and marketing industry	(2,560,000)	965,000	3,320,000
Residential construction industry	(1,660,000)	3,170,000	(680,000)
Total	<u>\$ 2,880,000</u>	<u>\$ 16,060,000</u>	<u>\$ (9,330,000)</u>

The Company's equity investments are measured using quoted prices in active markets for identical assets (Level 1). The following table shows the fair value of the Company's investments aggregated by investment category at:

	2024	2023
Cement industry	\$ 24,748,852	\$ 21,895,193
General building materials industry	22,941,721	18,694,607
Oil & gas refining and marketing industry	8,034,764	10,493,734
Residential construction industry	4,159,980	6,131,268
Total	<u>\$ 59,885,317</u>	<u>\$ 57,214,802</u>

Investments in Affiliates

GFI

The Company owns common stock of GFI, a privately-owned company in the brick industry. The Company has determined that it has the ability to exercise significant influence, but not control, over the operating and financial policies of GFI. Consequently, the equity method of accounting is used for the investment.

Pertinent information about the Company's investment in GFI is as follows:

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	2024	2023	2022
Carrying value	\$ 17,051,217	\$ 15,560,406	\$ 13,643,815
Ownership percentage	36.14%	36.14%	36.14%
Cash dividends received	\$ 109,568	\$ 88,085	\$ 77,342
Undistributed earnings	12,144,653	10,544,273	8,540,114
Difference between carrying amount and the underlying equity in net assets*	28,123	137,691	225,775
Equity in earnings	1,600,379	2,004,676	1,182,077

* The difference between carrying amount and the underlying equity in net assets is in a memo account allocated to goodwill.

During 2024, 2023 and 2022, the Company purchased \$1.2 million, \$1.1 million and \$0.9 million, respectively, of brick from GFI. The Company eliminated intra-entity profits or losses for its proportionate share of GFI's common stock for inventory still remaining with the Company until such profits or losses were realized in transactions with third parties. Amounts due to GFI for Company purchases were not significant at December 31, 2024 and 2023.

RMCMO Holdings, LLC

Pursuant to a Contribution Agreement among the Company, AYG, Inc. ("AYG") and RMCMO Holdings, LLC (the "JV"), on December 31, 2024 the Company contributed 100% of the issued and outstanding membership interests in Springfield Ready Mix, LLC, City Wide Constructions Products, LLC, and Kay Concrete Materials, LLC, and 114,618 shares of Monarch capital stock, each of which is valued at \$217.4926 per share, to the Joint Venture (JV). This contribution equates to 49% ownership of the JV.

Pertinent information about the Company's investment in RMCMO Holdings, LLC. is as follows:

	2024
Carrying value	\$ 33,478,530
Ownership percentage	49.00%

As 2024 was the first year of operations for the Company's JV, there was no activity that related to prior years.

The Company's equity method investment is reviewed for impairment on a periodic basis or if an event occurs or circumstances change that indicate the carrying amount may be impaired. This assessment is based on a review of the investment's performance and a review of indicators of impairment to determine if there is evidence of a loss in value of the investment. Factors the Company considers include:

- Absence of the Company's ability to recover the carrying amount;
- Inability of the equity affiliate to sustain an earnings capacity which would justify the carrying amount of the investment; and
- Significant litigation, bankruptcy or other events that could impact recoverability.

For an equity investment with impairment indicators, the Company measures fair value on the basis of discounted cash flows or other appropriate valuation methods. If it is probable that the Company will not recover the carrying amount of its investment, the impairment is recorded in earnings, and the equity investment balance is reduced to its fair value accordingly. After review, the Company does not consider its equity method investment to be impaired at December 31, 2024 or 2023.

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and their estimated useful lives at December 31, 2024 and 2023 consisted of:

	<u>Lives (Years)</u>	<u>2024</u>	<u>2023</u>
Quarry land		\$ 2,004,549	\$ 2,004,549
Other land		14,208,424	11,974,326
Buildings and improvements	15 – 39	59,863,207	59,430,813
Cement manufacturing equipment	15 – 25	173,083,304	171,252,240
Ancillary equipment	5 – 10	16,004,890	15,893,989
Ready-mix and concrete production machinery and equipment	5 – 15	37,494,641	42,756,986
Transportation and mobile equipment	3 – 7	64,898,559	68,642,910
Office machinery, equipment, furniture and fixtures	3 – 10	8,710,177	8,927,005
Construction in process		91,107,454	67,450,638
		<u>\$ 467,375,205</u>	<u>\$ 448,333,456</u>
Less: Accumulated depreciation and depletion		<u>297,107,344</u>	<u>300,396,613</u>
		<u>\$ 170,267,861</u>	<u>\$ 147,936,843</u>

(6) REVOLVING LOAN AND LONG-TERM DEBT

On October 20, 2021, the Company entered into a new credit agreement with its current lender, BOKF, NA dba Bank of Oklahoma (Bank of Oklahoma), which amended and restated its revolving loan. The Company's current agreement provides for an extension of the \$15.0 million revolving loan maturing on December 31, 2025; the previous agreement matured on December 31, 2024. In connection with the extension, there was the elimination of the Minimum Tangible Net Worth requirements and updated interest rate terms on the Company's revolving loan. It states the Replacement Revolving Note shall bear interest at a fluctuating rate per annum equal to the Term Secured Overnight Financing Rate (SOFR), plus 175 basis points.

As of December 31, 2024 and 2023, there was nothing borrowed against the revolving loan.

At December 31, 2024 and 2023, there was no other long-term debt.

As of December 31, 2024, there was no aggregate annual maturities of long-term debt.

(7) INCOME TAXES

The components of the provision for federal and state income taxes in the accompanying consolidated statements of income are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current income tax expense	\$ 7,952,142	\$ 16,500,012	\$ 13,433,208
Deferred income taxes	14,677,858	2,614,988	(1,723,208)
Provision for income taxes	<u>\$ 22,630,000</u>	<u>\$ 19,115,000</u>	<u>\$ 11,710,000</u>

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Computed at statutory rate (21%)	\$ 18,710,000	\$ 19,221,000	\$ 10,795,000
Increase (decrease) resulting from:			
State income taxes, net of federal tax benefit	5,274,000	5,939,000	3,163,000
Percentage depletion	(1,321,000)	(1,403,000)	(1,306,000)
Current year tax credits	(423,000)	(2,085,000)	(2,150,000)
Dividends received deduction	(177,000)	(160,000)	(155,000)
Other	567,000	(2,397,000)	1,363,000
Provision for income taxes	<u>\$ 22,630,000</u>	<u>\$ 19,115,000</u>	<u>\$ 11,710,000</u>

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The tax effects of significant temporary differences relating to deferred taxes, net of valuation allowances, on the balance sheets were:

	2024	2023
Allowance for doubtful accounts	\$ 118,000	\$ 123,000
Accrued vacation	374,000	514,000
Depreciation	(11,043,000)	(43,000)
Postretirement benefits	2,975,000	3,085,000
Pension liability	(3,549,000)	(2,746,000)
Unrealized holding gains	(12,607,000)	(11,860,000)
Net operating loss carryforwards	17,000	480,000
Tax carryforwards	443,000	2,085,000
Equity in affiliate earnings	(3,420,000)	(926,000)
Inventory Capitalization	578,000	-
Other, net	304,171	(114,833)
Net deferred tax assets (liabilities)*	<u>\$ (25,809,829)</u>	<u>\$ (9,402,833)</u>

*Net of valuation allowance of \$1,431,000 and \$1,136,000 for 2024 and 2023, respectively.

Some of the Company's subsidiaries file separate state income tax returns resulting in net operating loss carryforwards. In addition, some subsidiaries separately filed federal income tax returns in prior years which also resulted in net operating loss carryforwards. The provision for income taxes and income tax liabilities recorded in the financial statements include those separate calculations. The deferred taxes resulting from these and other tax carryforwards are included in the above table net of valuation allowances. The valuation allowance has been used to reduce the tax benefit associated with the tax carryforwards. The following table presents the expiration dates of the Company's carryforwards, net of valuation allowances, for tax purposes as of December 31, 2024:

<u>Expiration Date</u>	<u>Tax Carryforwards</u>
2037	\$ 443,000
2043	17,000
	<u>\$ 460,000</u>

The Company uses a recognition threshold of "more likely than not" that a tax position would be sustained upon examination before any part of the benefit of that position is recognized in the Company's financial statements.

The Company, or one of its subsidiaries, files income tax returns in the U.S. Federal jurisdiction and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. Federal or state income tax examinations by tax authorities for years before 2021. The Company believes it is not subject to any significant tax risk. The Company does not have any accrued interest or penalties associated with any unrecognized tax benefits, nor were any significant interest expenses recognized during the years ended December 31, 2024, 2023 and 2022.

(8) PENSION AND OTHER POSTRETIREMENT BENEFITS

Gains or losses affecting the Benefit obligation can be the result of the difference between expected and actual return on plan assets or from changes in actuarial assumptions. The assumed discount rate was updated from 5.00% to 5.50%.

Postretirement Benefits

Monarch provides certain postretirement health and life insurance benefits to all retired employees in the Cement Business who, as of their retirement date, meet the eligibility requirements. These benefits are self-insured by Monarch and are paid out of Monarch's general assets. Monarch expects 2025 cash expenditures for this plan to be approximately \$902,000 which is equal to the net expected benefit payments for the year.

Monarch uses a December 31 measurement date for the plans. At December 31, 2024 and 2023, the current portion of the accrued benefit cost of approximately \$902,000 and \$924,000, respectively, is recorded in compensation and benefits. Information about the plans' funded status and postretirement cost follows:

	2024	2023
Change in benefit obligation:		
Beginning of year	\$ 12,297,402	\$ 12,052,917
Service cost	140,137	143,985
Interest cost	592,502	621,781
Actuarial (gain) loss	(797,636)	238,404
Benefits paid	(789,174)	(759,684)
Benefit obligation at end of year	<u>\$ 11,443,231</u>	<u>\$ 12,297,403</u>
	2024	2023
Change in fair value of plan assets:		
Beginning of year	\$ -	\$ -
Employer contributions	789,174	759,684
Benefits paid	(789,174)	(759,684)
Fair value of plan asset at end of year	<u>\$ -</u>	<u>\$ -</u>
Weighted Average Assumptions used to determine benefit obligations:		
Discount rate	5.50%	5.00%
Trend rate	N/A	N/A
Funded status, end of year:		
Fair value of plan assets	\$ -	\$ -
Benefit obligations	(11,443,231)	(12,297,403)
Funded status = year-end benefit liability	<u>\$ (11,443,231)</u>	<u>\$ (12,297,403)</u>

Accrued Postretirement Benefits represents the accumulated difference between actual contributions and actual expenses from past years. It is updated from the prior year as follows:

	2024	2023
A. Accrued postretirement benefits at beginning of year	\$ (10,594,726)	\$ (10,842,215)
B. Net periodic postretirement benefit income	778,909	512,196
C. Employer contributions	789,174	759,684
D. Accrued postretirement benefits at end of year	<u>\$ (10,584,461)</u>	<u>\$ (10,594,727)</u>
(A) - (B) + (C)		

Following are the components of net periodic benefit cost:

	2024	2023	2022
Components of net periodic benefit cost:			
Service cost	\$ 140,137	\$ 143,985	\$ 319,309
Interest cost	592,502	621,781	449,540
Amortization of prior service cost	-	(312,614)	(1,563,067)
Recognized net actuarial loss	46,270	59,044	395,010
Net periodic benefit income	<u>\$ 778,909</u>	<u>\$ 512,196</u>	<u>\$ (399,208)</u>

Weighted Average Assumptions used to determine net periodic postretirement benefit cost:

Discount rate	5.00%	5.25%	2.75%
Trend rate	N/A	N/A	N/A

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Amounts recognized in the balance sheets consist of:

	2024	2023
Current liability	\$ (902,000)	\$ (924,000)
Noncurrent liability	(10,541,231)	(11,373,403)
Net amount recognized	<u>\$ (11,443,231)</u>	<u>\$ (12,297,403)</u>

Amounts recognized in accumulated other comprehensive income consist of:

	2024	2023
Net actuarial loss	\$ 858,770	\$ 1,702,676
Prior service credit	-	-
	<u>\$ 858,770</u>	<u>\$ 1,702,676</u>

Other changes in benefit obligations recognized in other comprehensive income:

	2024	2023	2022
Current year actuarial (gain)/loss	\$ (797,636)	\$ 238,404	\$ (4,763,632)
Amortization of actuarial loss	(46,270)	(59,044)	(395,010)
Current year prior service credit	-	-	-
Amortization of prior service credit	-	312,614	1,563,067
Total recognized in other comprehensive income	<u>\$ (843,906)</u>	<u>\$ 491,974</u>	<u>\$ (3,595,575)</u>

The accumulated postretirement benefit obligation as of December 31, 2024 is shown below:

HRA Plan Provisions	\$ 11,443,231
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Expected benefit payments and expenses shown separately for the next five fiscal years and in the aggregate for the subsequent five-year period are presented below:

December 31, 2025	\$ 901,471
December 31, 2026	899,391
December 31, 2027	899,298
December 31, 2028	903,365
December 31, 2029	900,292
Five fiscal years ending December 31, 2034	4,476,687

Pension Plans

Monarch has noncontributory defined benefit pension plans covering substantially all employees in the Cement Business who meet the eligibility requirements. Monarch's funding policy is to contribute annually an amount within the minimum/maximum range of tax-deductible contributions. In 2024, there are no minimum expected contributions to the plans.

Monarch uses a December 31 measurement date for the plans. Information about the plans' funded status and pension cost follows:

	2024	2023
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 51,413,112	\$ 48,925,539
Service cost	950,189	888,385
Interest cost	2,553,651	2,556,304
Actuarial (gain) loss	1,976,585	1,868,880
Plan curtailment	(2,209,462)	-
Benefits paid	(2,991,046)	(2,825,996)
Benefit obligation at end of year	<u>\$ 51,693,029</u>	<u>\$ 51,413,112</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 62,536,872	\$ 58,752,592
Actual return on plan assets	5,774,767	6,610,276
Employer contributions	-	-
Benefits paid	(2,992,046)	(2,825,996)
Fair value of plan assets at end of year	<u>\$ 65,319,593</u>	<u>\$ 62,536,872</u>
Funded status, end of year:		
Fair value of plan assets	\$ 65,319,593	\$ 62,536,872
Benefit obligation	51,692,029	51,413,112
Funded status = pension asset (liability), end of year	<u>\$ 13,627,564</u>	<u>\$ 11,123,760</u>

The actuarial formula used to calculate the projected benefit obligation takes into account future increases in pension contributions that would take place as the employees' salaries increase. The accumulated benefit obligation uses an actuarial formula to calculate the projected benefit obligation which assumes that the employees cease to work for the Company at the time the estimation is made. The plans' accumulated benefit obligation follows:

	2024	2023
Accumulated benefit obligation, end of year	<u>\$ 51,693,029</u>	<u>\$ 47,912,375</u>

Amounts recognized in the balance sheets consist of:

	2024	2023
Noncurrent asset	\$ 13,627,564	\$ 11,123,760
Noncurrent liability	-	-
Net amount recognized	<u>\$ 13,627,564</u>	<u>\$ 11,123,760</u>

Amounts recognized in accumulated other comprehensive income not yet recognized as components of net periodic benefit cost consist of:

	2024	2023
Net actuarial loss	\$ 3,645,115	\$ 6,095,932
Prior service cost	14,020	32,604
	<u>\$ 3,659,135</u>	<u>\$ 6,128,536</u>
Less: Deferred tax	950,000	1,590,000
Additional pension liability, net of deferred tax	<u>\$ 2,709,135</u>	<u>\$ 4,538,536</u>

Other changes in plan assets and benefit obligations recognized in other comprehensive income:

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	2024	2023	2022
Current year actuarial (gain)/loss	\$ (2,352,760)	\$ (1,311,745)	\$ (9,111,806)
Amortization of actuarial loss	(98,057)	(279,671)	(1,050,460)
Current year prior service loss	-	-	14,559
Amortization of prior service cost	(6,997)	(6,997)	(6,873)
Recognition of curtailment loss	(11,587)	-	-
	<u>\$ (2,469,401)</u>	<u>\$ (1,598,413)</u>	<u>\$ (10,154,580)</u>
Less: Deferred tax	(640,000)	(420,000)	(2,640,000)
Minimum pension liability, net of deferred tax	<u>\$ (1,829,401)</u>	<u>\$ (1,178,413)</u>	<u>\$ (7,514,580)</u>

The amortization schedule for prior service costs is as follows:

Description	Established Dec. 31 of:	Initial Amount	Initial Period	12/31/2024 Outstanding Balance	2024 Amortization Amount
Unrecognized Prior Service Cost	2015	21,393	11.14 years	4,113	1,920
	2019*	25,342	9.21 years	-	-
	2022	14,559	6.26 years	9,907	2,326
				<u>\$ 14,020</u>	<u>\$ 4,246</u>

*All unrecognized prior service cost as of December 31, 2024 in the amount of \$11,587 was accelerated and recognized as a curtailment loss in the 2024

Cumulative employer contributions in excess of net periodic pension cost are as follows:

	2024	2023
A. Cumulative balance at beginning of year	\$ 17,252,296	\$ 17,554,002
B. Net periodic pension cost	(45,990)	301,706
C. Curtailment (gain)/loss	11,587	-
D. Contributions	-	-
E. Cumulative balance at end of year	<u>\$ 17,286,699</u>	<u>\$ 17,252,296</u>
(A) - (B) - (C) + (D)		

The weighted average assumptions used to determine net pension cost and benefit obligations as of December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Benefit obligation:			
Discount rate	5.50%	5.00%	5.25%
Expected return on plan assets	6.00%	6.00%	6.00%
Rate of compensation increase (Staff plan only)	5.00%	5.00%	5.00%
Pension cost:			
Discount rate	5.00%	5.25%	2.75%
Expected return on plan assets	6.00%	6.00%	6.25%
Rate of compensation increase (Staff plan only)	5.00%	5.00%	5.00%

The following table presents the components of net periodic pension cost as of December 31, 2024, 2023 and 2022:

	2024	2023	2022
Service cost	\$ 950,189	\$ 888,385	\$ 1,553,013
Interest cost	2,553,651	2,556,304	1,792,668
Expected return on plan assets	(3,654,884)	(3,429,651)	(4,045,960)
Amortization of prior service cost	6,997	6,997	6,873
Recognized net actuarial loss	98,057	279,671	1,050,460
Net periodic pension expense	<u>(45,990)</u>	<u>301,706</u>	<u>357,054</u>
Curtailment (gain)/loss	11,587	-	-
Total pension expense	<u>\$ (34,403)</u>	<u>\$ 301,706</u>	<u>\$ 357,054</u>

The Company has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets as well as current facts and circumstances.

Plan assets are held by a trustee bank. A fund manager has been retained to make investment decisions within guidelines specified by Monarch. The guidelines permit investment in both equities and fixed income securities including common stocks, corporate bonds and debentures and U.S. Government securities. An investment committee appointed by the Board also invests a portion of the funds. The Board of Directors voted to approve a freeze of the pension benefits for participants of the Staff Pension Plan effective July 1, 2024, and subsequently terminated the plan effective July 31, 2024. As a result of this plan termination and the funding status of the remaining two plans, the investment committee decided to move all assets into fixed income investments. This decision is primarily based on a strategy to provide stable earnings and reduce market risk associated with investment in equity securities. The percentage of allocation between fixed income and equity investments for 2023 are as follows:

Equities	60%
Fixed Income	40%

The pension investment guidelines strive for diversification of equity securities among the various market sectors and do not permit participation in higher risk investment strategies involving hedging activities and the use of derivative instruments.

The plan allows a 5% fluctuation before assets are rebalanced. During periods of extreme market volatility, the fluctuation may exceed 5% before rebalancing is complete. At December 31, 2024 and 2023, plan assets by category were as follows:

	2024	2023
Equities	12%	60%
Debt Securities	14%	26%
Other	74%	14%

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Fair value prices for all securities in the pension plan portfolio are provided by our trustee bank which utilizes an internationally recognized independent pricing service. Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include equity securities which were priced at the market close. Level 2 assets have observable inputs other than Level 1 prices. Plan assets are classified within Level 3 of the hierarchy when relevant observable inputs for a security are not available.

We have established control procedures in which we independently assess the pricing obtained from the trustee bank which utilizes the pricing service. These internal processes include obtaining and reviewing available reports on controls at the trustee bank and pricing service, evaluating the prices for reasonableness given market changes, investigating anomalies and confirming determinations through discussions with the trustee bank.

The fair value of Monarch's pension plan assets by asset category at December 31, 2024 and 2023 are as follows:

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	2024	Total	Fair Value Measurements Using:		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents		\$ 48,375,305	\$ 48,375,305	\$ -	\$ -
Equity securities:					
Consumer discretion		860,066	860,066	-	-
Consumer staples		769,470	769,470	-	-
Energy		477,846	477,846	-	-
Equity funds		1,528	1,528	-	-
Financials		1,072,658	1,072,658	-	-
Healthcare		454,366	454,366	-	-
Industrials		688,037	688,037	-	-
Information technology		97,788	97,788	-	-
International		-	-	-	-
Materials		525,937	525,937	-	-
Miscellaneous		450,843	450,843	-	-
Real Estate		920,566	920,566	-	-
Telecommunication		355,443	355,443	-	-
Utilities		1,093,808	1,093,808	-	-
Fixed income securities:					
Corporate bonds		2,520,447	2,520,447	-	-
Intermediate Duration Fund		-	-	-	-
U.S. Government Obligation/Federal Agencies		6,655,485	6,655,485	-	-
Total		<u>\$ 65,319,593</u>	<u>\$ 65,319,593</u>	<u>\$ -</u>	<u>\$ -</u>
	2023				
Cash and cash equivalents		\$ 8,751,523	\$ 8,751,523	\$ -	\$ -
Equity securities:					
Consumer discretion		4,140,061	4,140,061	-	-
Consumer staples		2,554,881	2,554,881	-	-
Energy		2,182,618	2,182,618	-	-
Equity funds		4,759,543	4,759,543	-	-
Financials		3,474,137	3,474,137	-	-
Healthcare		2,577,440	2,577,440	-	-
Industrials		3,366,133	3,366,133	-	-
Information technology		2,096,225	2,096,225	-	-
International		2,680,783	2,680,783	-	-
Materials		2,574,485	2,574,485	-	-
Miscellaneous		938,628	938,628	-	-
Real Estate		3,114,930	3,114,930	-	-
Telecommunication		1,671,535	1,671,535	-	-
Utilities		1,654,194	1,654,194	-	-
Fixed income securities:					
Corporate bonds		2,725,081	2,725,081	-	-
Intermediate Duration Fund		11,554,613	11,554,613	-	-
U.S. Government Obligation/Federal Agencies		1,720,062	1,720,062	-	-
Total		<u>\$ 62,536,872</u>	<u>\$ 62,536,872</u>	<u>\$ -</u>	<u>\$ -</u>

The plans' expected benefit payments as of December 31, 2024, shown separately for the next five fiscal years and in the aggregate for the subsequent five-year period, are presented below:

2025	\$ 36,457,336
2026	1,254,388
2027	1,256,296
2028	1,262,296
2029	1,262,975
Five fiscal years ending December 31, 2034	6,311,789

The Company has defined contribution plans covering substantially all permanent employees. These plans allow the Company, at its discretion, to match the employee’s contributions. The Company contributed \$629,803, \$309,510 and \$382,404 to these plans for the years 2024, 2023 and 2022, respectively. The Company expects to contribute approximately \$630,000 to these plans in 2025.

The Company contributes to multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c) If the Company chooses to stop participating in one of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company’s participation in these plans for the annual period ended December 31, 2024, is outlined in the table below. The Company considers only one plan it contributes to under collective bargaining agreements to be significant. The “EIN/Pension Plan Number” column provides the plan’s Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2024 and 2023 is for the plan’s year-end at December 31, 2023 and 2022, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plan is subject. There have been no significant changes that affect the comparability of 2024, 2023 and 2022 contributions.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Contributions by Company			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2024	2023		2024	2023	2022		
Central States, Southeast & Southwest Areas Pension Plan	36-6044243/001	Red	Red	Yes	\$349,669	\$313,543	\$315,444	Yes	3/31/2025 & 4/30/2025 ^(a)
Other Funds					60,297	86,622	104,068		
					<u>\$409,966</u>	<u>\$400,165</u>	<u>\$419,512</u>		

^(a)The Company is party to two collective bargaining agreements that require contributions to Central States, Southeast & Southwest Areas Pension Plan. In 2024, 36% of the Company's contributions were required by a collective bargaining agreement that expires 3/31/2025 and 64% were required by an agreement that expires 04/30/2025.

The Company was not listed in any of its multiemployer plans' Forms 5500 as providing more than 5% of the total contributions. Forms 5500 were not available for the plan year ending in 2024.

(9) RECLASSIFICATION OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the reclassifications out of accumulated other comprehensive income (loss) for the periods indicated and the affected line item in the statements where net income is presented:

Reclassification for	2024	2023	2022
Net periodic pension and postretirement costs in:			
Other, net	\$ 151,324	\$ 33,098	\$ (110,724)
Tax benefit (expense)	(40,000)	(10,000)	30,000
Net of tax	<u>\$ 111,324</u>	<u>\$ 23,098</u>	<u>\$ (80,724)</u>

See Note 8, "Pension and Other Postretirement Benefits", for discussion of pension and postretirement amounts yet to be reclassified in accumulated other comprehensive income.

(10) SIGNIFICANT ESTIMATES AND CERTAIN CONCENTRATIONS

Thirty-five percent (35%) of the Company's employees are covered by various collective bargaining agreements. Three of the union contracts expire in 2025. The Company believes it has a good working relationship with its employees and has been successful in negotiating multi-year union contracts without work stoppages.

The Company has noncontributory defined benefit pension plans and defined contribution postretirement health plans that provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to services rendered prior to the valuation date based on the Entry Age Actuarial Cost Method and the Projected Unit Credit Actuarial Cost Method, respectively. It is reasonably possible that events could occur that would change the estimated amount of these liabilities materially in the near term. The financial statements have been prepared using values and information currently available to the Company.

Economic and financial market conditions could adversely affect our results of operations in future periods. Instability in the financial markets may make it difficult for certain of our customers to obtain financing, which may significantly impact the volume of future sales and adversely impact the Company's future operating results.

In addition, volatility of economic conditions could rapidly change the values of assets and liabilities recorded in the financial statements, resulting in material future adjustments in investment values (including defined benefit pension plan investments), allowances for accounts, net realizable value of inventory and realization of deferred tax assets that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. There are not any matters pending that we currently believe are reasonably possible of having a material impact to our business, consolidated balance sheets, consolidated statements of income or cash flows.

The Company invests in various equity securities which are exposed to market risks. Due to the level of risk associated with certain equity securities, it is at least reasonably possible that changes in the values of equity securities will occur in the near term and that those changes could materially affect the amounts reported in the accompanying balance sheet.

(11) STOCKHOLDERS' EQUITY

Capital Stock and Class B Capital Stock have the same rights except as follows: Class B Capital Stock has voting rights of ten votes per share and restricted transferability; Class B Capital Stock is convertible at all times into Capital Stock on a share-for-share basis; and Capital Stock has one vote per share and is freely transferable.

(12) LINES OF BUSINESS

The Company groups its operations into two segments ("lines of business") - Cement Business and Ready-Mixed Concrete Business, which were determined based on the management approach, reflecting the internal reporting used by the Chief Operating Decision Maker ("CODM"), the Company's President, to evaluate performance and make strategic decisions. The Company's business lines are separate business units that offer different products. The accounting policies for each line are the same as those described in the summary of significant accounting policies. Corporate assets include cash and cash equivalents, investments, deferred income taxes and other assets for 2024, 2023 and 2022.

The CODM evaluates the performance of each line of business and decides how to allocate resources based on line of business income from operations which includes the revenue and expenses that are directly attributable to management of each line of business, as well as the total assets per line of business. The CODM uses line of business income from operations and line of business total assets to assess the income generated by each reportable segment and to decide which reportable segment to reinvest profits, if at all, or pay dividends. Line of business income from operations is also used to analyze performance against the budget and the Company's competitors.

The adjustments and eliminations amounts reflect intercompany eliminations that are not allocated or aggregated to the reportable segments.

Following is information for each line for the years ended December 31, 2024, 2023 and 2022:

	Cement Business	Ready-Mixed Concrete Business	Adjustments and Eliminations	Consolidated
For the Year Ended December 31, 2024				
Sales to unaffiliated customers	\$ 157,492,090	\$ 110,562,410	\$ -	\$ 268,054,500
Intersegment sales	23,059,872	2,832,035	(23,904,318)	-
Total net sales	<u>\$ 180,551,962</u>	<u>\$ 113,394,445</u>	<u>\$ (23,904,318)</u>	<u>\$ 268,054,500</u>
Cost of sales	\$ 74,993,420	\$ 94,662,095		\$ 169,655,515
Gross profit from operations	\$ 82,498,670	\$ 15,900,315		\$ 98,398,985
Selling, general and administrative expenses	14,795,254	9,943,416		24,738,670
Income from operations	<u>\$ 67,703,416</u>	<u>\$ 5,956,899</u>		<u>\$ 73,660,315</u>
Other income, net				13,420,345
Income before income taxes				<u>\$ 87,080,660</u>
Identifiable assets at December 31, 2024	<u>\$ 213,267,698</u>	<u>\$ 48,925,591</u>		<u>\$ 262,193,289</u>
Corporate assets				196,095,438
Total assets at December 31, 2024				<u>\$ 458,288,727</u>

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	Cement Business	Ready-Mixed Concrete Business	Adjustments and Eliminations	Consolidated
For the Year Ended December 31, 2023				
Sales to unaffiliated customers	\$ 156,998,386	\$ 105,757,502	\$ -	\$ 262,755,888
Intersegment sales	21,251,579	2,652,739	(23,904,318)	-
Total net sales	<u>\$ 178,249,965</u>	<u>\$ 108,410,241</u>	<u>\$ (23,904,318)</u>	<u>\$ 262,755,888</u>
Cost of sales	<u>\$ 80,588,611</u>	<u>\$ 89,943,121</u>		<u>\$ 170,531,732</u>
Gross profit from operations	<u>\$ 76,409,775</u>	<u>\$ 15,814,381</u>		<u>\$ 92,224,156</u>
Selling, general and administrative expenses	12,699,761	9,686,710		22,386,471
Income from operations	<u>\$ 63,710,014</u>	<u>\$ 6,127,671</u>		<u>\$ 69,837,685</u>
Other income, net				<u>20,965,069</u>
Income before income taxes				<u>\$ 90,802,754</u>
Identifiable assets at December 31, 2023	<u>\$ 185,484,180</u>	<u>\$ 49,231,624</u>		<u>\$ 234,715,804</u>
Corporate assets				146,626,629
Total assets at December 31, 2023				<u>\$ 381,342,433</u>
For the Year Ended December 31, 2022				
Sales to unaffiliated customers	\$ 139,972,926	\$ 92,623,022	\$ -	\$ 232,595,948
Intersegment sales	18,320,055	1,467,944	(19,787,999)	-
Total net sales	<u>\$ 158,292,981</u>	<u>\$ 94,090,966</u>	<u>\$ (19,787,999)</u>	<u>\$ 232,595,948</u>
Cost of sales	<u>\$ 78,173,207</u>	<u>\$ 82,656,152</u>		<u>\$ 160,829,359</u>
Gross profit from operations	<u>\$ 61,799,719</u>	<u>\$ 9,966,870</u>		<u>\$ 71,766,589</u>
Selling, general and administrative expenses	12,631,985	9,123,765		21,755,750
Income from operations	<u>\$ 49,167,734</u>	<u>\$ 843,105</u>		<u>\$ 50,010,839</u>
Other income, net				<u>1,393,260</u>
Income before income taxes				<u>\$ 51,404,099</u>
Identifiable assets at December 31, 2022	<u>\$ 148,348,955</u>	<u>\$ 47,506,834</u>		<u>\$ 195,855,789</u>
Corporate assets				128,333,389
Total assets at December 31, 2022				<u>\$ 324,189,178</u>

Total sales by line of business before adjustments and eliminations include both sales to unaffiliated customers (as reported in the Company's consolidated statements of income, comprehensive income and stockholders' equity) and intersegment sales. Intersegment sales are accounted for by the same method as sales to unaffiliated customers.

Income from operations is total net sales less operating expenses. In computing income from operations, none of the following items have been added or deducted: general corporate income and expenses; interest expense; and income taxes. Depreciation and depletion for the Cement Business and Ready-Mixed Concrete Business, respectively, was approximately: \$7.8 million and \$9.6 million in 2024; \$8.8 million and \$7.8 million in 2023; and \$8.1 million and \$7.9 million in 2022. Capital expenditures for the Cement Business and Ready-Mixed Concrete Business, respectively, were: \$32.8 million and \$11.6 million in 2024; \$32.5 million and \$9.2 million in 2023; and \$24.1 million and \$9.6 million in 2022. Identifiable assets by line of business are those assets that are used in the Company's operations in each industry.

During 2024, 2023 and 2022, there were no sales to any one customer in excess of 10% of consolidated net sales.

(13) OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes the changes in each component of accumulated other comprehensive income (loss), net of estimated tax:

	2023	Change	2024
Pension liability adjustment	\$ (4,538,536)	\$ 1,829,401	\$ (2,709,135)
Postretirement liability adjustment	(574,676)	623,906	49,230
	<u>\$ (5,113,212)</u>	<u>\$ 2,453,307</u>	<u>\$ (2,659,905)</u>

	2022	Change	2023
Pension liability adjustment	\$ (5,716,949)	\$ 1,178,413	\$ (4,538,536)
Postretirement liability adjustment	(210,702)	(363,974)	(574,676)
	<u>\$ (5,927,651)</u>	<u>\$ 814,439</u>	<u>\$ (5,113,212)</u>

(14) SHARE REPURCHASES

The Company has elected to record the excess of the repurchase price over par or stated value entirely to retained earnings.

On December 12, 2022, the Company purchased and immediately retired 58,186 Capital shares for \$106.00 per share, for a total of \$6.2 million.

On June 23, 2023, the Company purchased and immediately retired 5,000 and 9,999 Capital shares for \$115.00 and \$116.88 per share, respectively, for a total of \$1.7 million. On December 31, 2023, the Company purchased and immediately retired 9,187 Capital shares for \$155.00 per share, for a total of \$1.4 million.

(15) ACQUISITION

Pursuant to a Stock Exchange Agreement among the Company and the owners of American Concrete Co., Inc., (“American Concrete”), on July 29, 2022, the Company acquired all of the issued and outstanding shares of common stock of American Concrete, a ready-mix concrete company located in southeast Kansas. The purpose of the acquisition was to expand our ready-mixed concrete business in the region. The aggregate consideration paid by the Company at closing was approximately \$1.6 million consisting of 15,239 shares of the Company's capital stock valued at \$1.6 million based on the July 29, 2022, price per share of \$105.00.

In accordance with Accounting Standards Codification (ASC) 805, the Company determined the assets and liabilities acquired constituted a business and applied purchase accounting to the assets acquired and the liabilities assumed. Since American Concrete is not a substantial subsidiary, pro forma information is not provided for the combined entity. The following table summarizes the consideration paid for acquisition of the assets acquired and the liabilities assumed at the acquisition date as well as the fair value at the acquisition date:

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Consideration:	
Cash paid, gross	\$ 18,939
Fair value of Monarch stock given 15,239 shares at \$105.00 per share	<u>1,600,095</u> <u>1,619,034</u>
Fair Value of assets acquired and liabilities assumed:	
Assets	
Cash	\$ 103,060
Prepays	4,192
Accounts receivable	444,286
Inventories	111,665
Other current assets	195
Property, plant and equipment	1,540,480
Liabilities	
Accounts payable	(215,299)
Accrued liabilities	(32,545)
Deferred taxes	(337,000)
Total:	<u>\$ 1,619,034</u>

(16) SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 14, 2025, which is the date the financial statements were issued.

CORPORATE INFORMATION

BOARD OF DIRECTORS



Standing (left to right): Mark A. Callaway, Gayle C. McMillen, Kent A. Webber, Walter H. Wulf, III, David L. Deffner, Michael R. Wachter

Seated (left to right): Robert K. Radcliff, Robert M. Kissick, Walter H. Wulf, Jr., Byron J. Radcliff, Steve W. Sloan

OFFICERS

Walter H. Wulf, Jr.
CEO and Chairman of the Board

Kent A. Webber
President

***Robert M. Kissick**
Vice Chairman of the Board and Vice President

Tony D. Kasten
*Chief Financial Officer and
Secretary-Treasurer*

Lisa J. Fontaine
Assistant Secretary

Douglas W. Sommers
Vice President - Sales

*Not actively involved in the daily affairs of the Company

SHAREHOLDER INFORMATION

CORPORATE OFFICE

449 1200 Street
P.O. Box 1000
Humboldt, KS 66748
Phone: (620) 473-2222
Fax: (620) 473-2447

AUDITORS

Grant Thornton LLP
Kansas City, Missouri

ANNUAL MEETING

The annual meeting of the stockholders of The Monarch Cement Company is held the second Wednesday in April of each year at the Company's corporate offices.

TRANSFER AGENTS AND REGISTRAR

The Monarch Cement Company
P.O. Box 1000
Humboldt, KS 66748-0900
shareholder.relations@monarchcement.com

Mountain Share Transfer, LLC
2030 Powers Ferry Road SE
Suite #212
Atlanta, GA 30339
(404)-474-3110

STOCK TRADING INFORMATION

Trading Symbol: MCEM
Over-the-Counter (OTC) Market

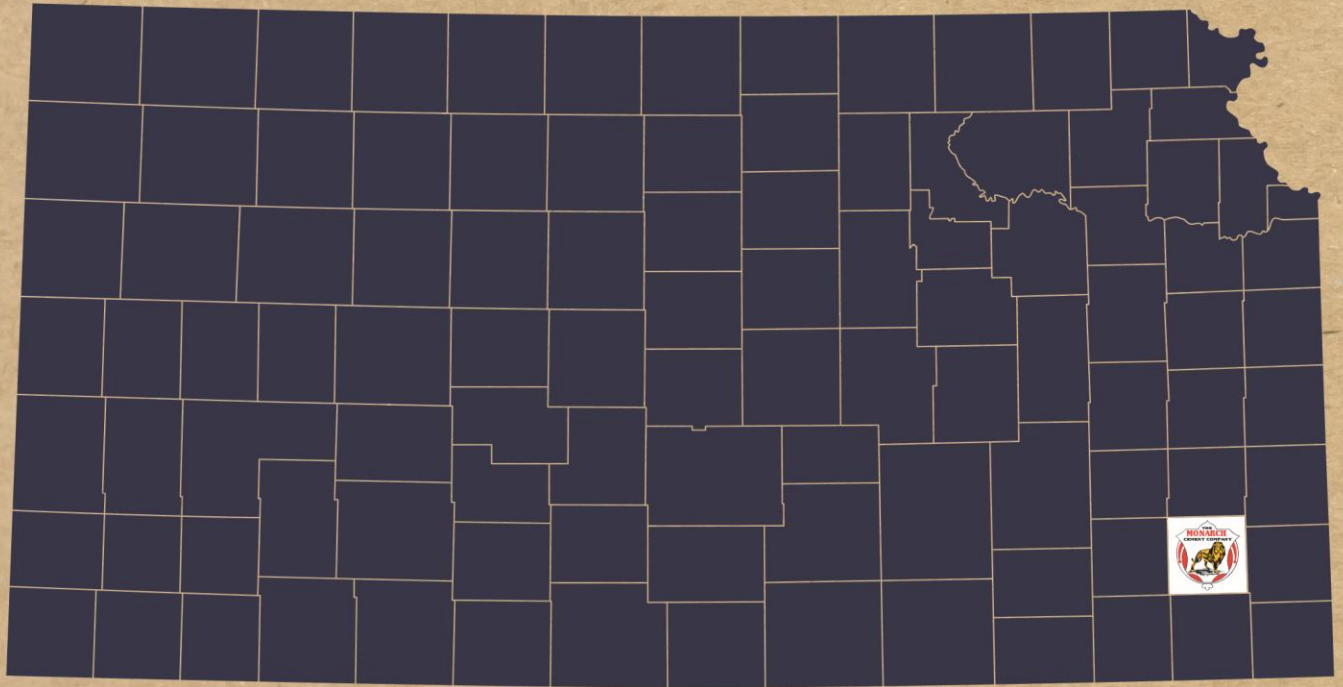
INVESTOR RELATIONS

Inquiries may be directed to Tony D. Kasten, Chief Financial Officer and Secretary-Treasurer, at the corporate address shown above.

FINANCIAL INFORMATION

The Company's financial statements are available on the Company's website, <http://www.monarchcement.com> and on the OTC Market's website, <https://www.otcmarkets.com>.





The **Monarch** *Cement Company*

Since 1908
