NATIVES OF KODIAK

Nunapet Carliarluki

Caring for Our Land

2025
ANNUAL REPORT

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Cama'i,

For Natives of Kodiak (NOK), our connection to the land is about more than ownership. The lands conveyed to NOK through the Alaska Native Claims Settlement Act (ANCSA) represent a responsibility entrusted to us by the Alaska Native leaders who championed ANCSA and helped shape a stronger future for Alaska Native people. More importantly, these lands represent a sacred promise from our ancestors—a promise to protect, preserve, and responsibly steward these lands for generations to come.

These lands provide opportunities for economic growth, cultural preservation, and conservation while reminding us that the decisions we make today will impact our shareholders and descendants for decades to come.

The theme of this year's annual report is *Nunapet Carliarluki,* which means "caring for our land" in Alutiiq. This theme reflects the important value of stewardship. As an Alaska Native Corporation, we are charged with balancing two equally important obligations: protecting the lands that sustain our identity and culture while ensuring they create opportunities and prosperity for current and future shareholders.

Throughout 2025, the Board of Directors and management remained focused on advancing this value through the implementation of NOK's Strategic Plan. At the center of that plan is the priority pillar of *Land and Cultural Stewardship*. Over the past year, substantial effort was dedicated to evaluating the long-term potential of our lands, considering strategies for responsible utilization, exploring future opportunities in Kodiak, and identifying partnerships that preserve and celebrate our Alutiiq heritage.

At the same time, we continued to build upon the strong financial foundation established in recent years. Following a period of stabilization across our family of businesses, management shifted its focus toward growth, diversification, and long-term prosperity. This transition reflects the confidence we have in NOK's future and our commitment to ensuring that the corporation remains financially strong for generations to come.

The results of those efforts are evident in the corporation's financial performance. During 2025, NOK continued to maintain a healthy balance sheet, strengthen shareholder equity, and generate positive operating results. Our construction, environmental, leasing, and investment activities all contributed to the corporation's success and positioned us to pursue new opportunities while remaining disciplined stewards of shareholder assets. These accomplishments support our Strategic Plan's priority pillar of *Sustaining Financial Growth in Perpetuity* and reinforce our belief that responsible growth creates lasting benefits for shareholders.

As a forever company, NOK does not measure success solely by quarterly results or annual performance. Success is measured by our ability to protect what has been entrusted to us while creating opportunities for those who will follow us. The lands we own today must continue to provide value, cultural connection, and economic opportunity not only for current shareholders, but also for our children, grandchildren, and future generations yet to come.

We are encouraged by the progress made during the past year and optimistic about the future. The work of caring for our lands, strengthening our businesses, and expanding opportunities for shareholders is ongoing. Guided by our strategic plan and our shared values, we remain committed to enhancing the everyday lives of our shareholders and descendants through responsible growth, thoughtful stewardship, and a clear vision for the future.

Quyanaa for your continued trust, support, and engagement with our corporation.

With deep respect and gratitude,

Jon Panamaroff
Chairman of the Board

Monica James
President & CEO

Jon Panamaroff
Chairman

Leonard Heitman
Vice-Chair

Carla Schauff
Treasurer

Teresa Mahle
Secretary

Gerald Anderson
Director

Anthony Cange
Director

Jeannine Marsh
Director

Thomas Panamaroff
Director

Fred Berestoff
Director

Monica James
President & CEO

Corey Gronn
Vice President

Jeff Wood
Vice President of Finance & Accounting

Darrin Lawrence
Executive Vice President of Operations

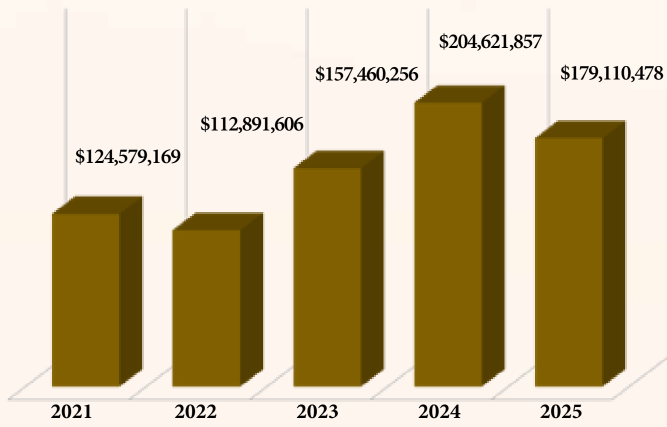
Corporate Overview

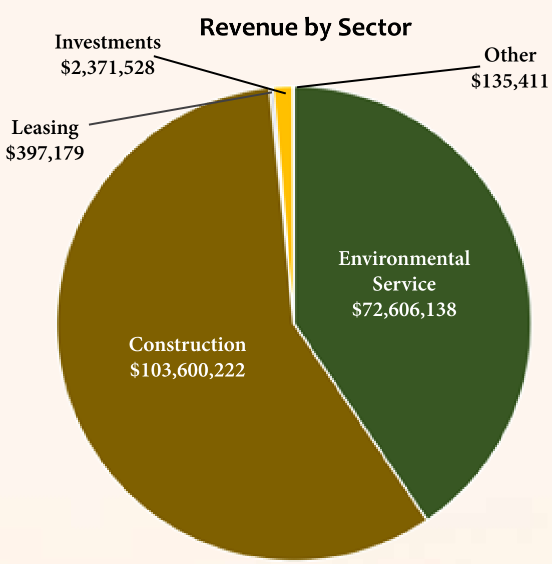
Natives of Kodiak, Inc. (NOK) was incorporated in 1973 pursuant to the Alaska Native Claims Settlement Act (ANCSA). NOK is the urban corporation for the Kodiak Island Borough and currently has 1,079 shareholders primarily of Alutiiq descent. Under ANCSA, NOK received the surface estate of 23,040 acres of land.

NOK operates a variety of businesses and invests in the following areas: construction, services, leasing, timber management, investment securities, real estate and rental income. In 2025, approximately 98% of NOK's contract revenue was from contracts with the U.S. government and 2% was from commercial customers. Approximately 64% of NOK's overall contract revenue was for construction services while 36% was for professional services, including leasing services.

2025 Financial Performance

In 2025, total revenue & investment income decreased from $204.6 million to $179.1 million primarily due to the completion of several large projects, slower-than-normal contract awards across the industry, and lower-than-expected growth in the construction sector. Partially offsetting the construction sector decline, the service sector increased revenue by $10.6 million through higher-margin unplanned work. The reduction also reflects a strategic decision to complete and exit several multi-year projects, strengthening the company's position for future growth and improved profitability.

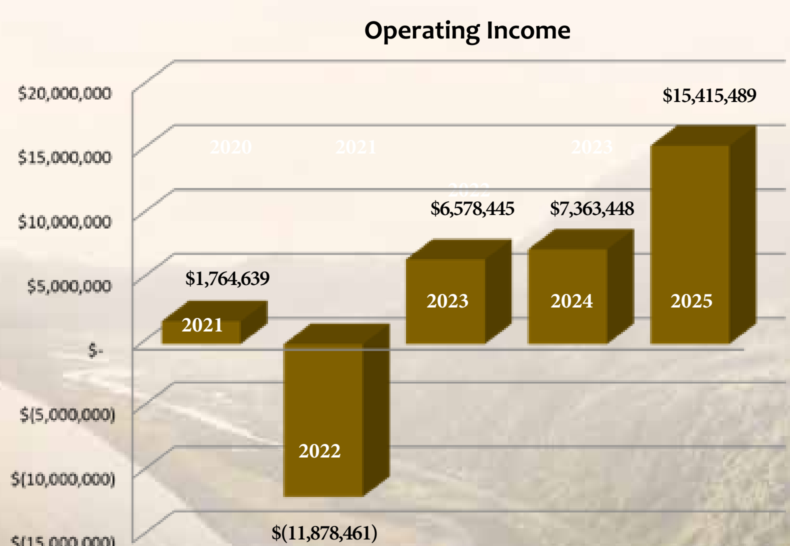




- Revenue from construction decreased $36.9 million in 2025, to $103.6 million, representing a 26% decrease from 2024.
- Revenue from services increased $10.6 million in 2025 to $72.6 million, representing a 17% increase from 2024.
- Gross profits from operations of $32.5 million increased in comparison to 2024.
- Gross profit from the Construction Sector was $16.0 million and from the Environmental Service Sector was $16.5 million.

Other notable highlights include:

- Operating income of $15.4 million increased by $8.0 million in 2025, a 109% increase over 2024 operating income of $7.4 million.



Operating income increased by $8.0 million over prior year to $15.4 million. The improvement was driven by a focus on completing and exiting several multi-year projects, growth in higher-margin work, and favorable closeout results on several projects. Together, these factors contributed to stronger profitability and improved operating performance.

Investments

NOK's 2025 investment securities were primarily in equity securities, exchange traded funds and mutual funds. Year-end 2025 investment securities totaled $15.0 million as compared to 2024 year-end securities of $12.9 million. In 2025, NOK's investment portfolio posted a $2.3 million gain as compared to 2024 gain of $1.6 million.

Shareholder Benefits

In 2025, Natives of Kodiak (NOK) continued to honor our commitment to shareholders by providing meaningful financial support through shareholder benefits. This included:

- Shareholder Distributions of $11 per unit were paid from the Shareholder Permanent Fund Trust in 2025 and 2024.
- Elder Benefits of $150 per quarter, totaling $600 per Elder for the year, were provided to Original Shareholders aged 65 and older from the Benefits Trust.
- Heritage Distributions of $10 per unit were paid from the Benefits Trust in 2025 compared to $8 per unit in 2024.
- Death Benefits of $5,000 each were paid to the families of six original shareholders in 2025 from the Benefits Trust.

Community Giving

NOK contributed to charitable and non-profit organizations that support shareholders, descendants, and the Kodiak community. 2025 giving included:

- $20,300 in total donations (up from $18,000 in 2024).
- $10,000 in 2025 and 2024 to the Alutiiq Museum, reflecting our ongoing commitment to cultural preservation.

Education & Vocational Support

In support of lifelong learning and career development, $97 thousand was awarded through the following scholarships in 2025:

- **35 higher education scholarships** were awarded to shareholders.
- **16 youth scholarships** were awarded to descendants.
- The **Neil Sargent Scholarship** continued to support vocational training, helping individuals pursue sustainable careers and self-reliance.

Looking Ahead

The Board of Directors has adopted the following vision: To Enhance the everyday Lives of our Shareholders and Descendants.

To position our organization for success, the Board has approved a 2025-2027 strategic plan structured around three core priority pillars:

- Land and Cultural Stewardship
- Sustain Financial Growth in Perpetuity
- Shareholder Benefits and Engagement

Each pillar includes clearly defined goals that together establish a strong foundation for our future achievements.

The Board of Trustees
Natives of Kodiak, Incorporated:

Opinion

We have audited the consolidated financial statements of Natives of Kodiak, Incorporated and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, 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, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 that the consolidated financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

KPMG LLP

Anchorage, Alaska
March 27, 2026

Consolidated Balance Sheets

Assets		2025	2024
Current assets:			
Cash	$	18,785,750	2,197,912
Accounts receivable, net		19,751,075	31,018,868
Contract assets		11,368,996	10,106,923
Investment securities		14,998,417	12,932,803
Income tax receivable		294,414	275,910
Prepaid expenses		760,630	603,868
Other current assets		779,168	144,126
Total current assets		66,738,450	57,280,410
Scholarship fund		835,345	719,036
Investment in affiliates		712,129	749,928
Land held for development		1,223,414	1,423,414
Reforestation		1,802,845	1,802,845
Property and equipment, net		6,207,397	8,245,966
Finance lease right-of-use assets, net		134,245	625,813
Operating lease right-of-use assets, net		1,277,445	1,029,095
Goodwill, net		1,654,709	3,179,814
Deferred tax assets, net		1,375,654	4,530,057
Other assets		1,891,130	3,337,797
Total assets	$	83,852,763	82,924,175

Liabilities and Stockholders' Equity		2025	2024
Current liabilities:			
Accounts payable and accrued expenses	$	17,972,250	27,194,664
Accrued payroll and related costs		4,858,146	4,362,373
Contract liabilities		12,010,167	9,309,543
Current portion of long-term debt		1,389,286	2,338,014
Current portion of finance lease obligation		131,097	392,133
Current portion of operating lease obligation		577,285	446,151
Other current liabilities		5,619,820	3,927,758
Total current liabilities		42,558,051	47,970,636
Long-term debt, less current installments		1,773,420	3,913,227
Finance lease obligation, less current portion		3,940	213,967
Operating lease obligation, less current portion		742,024	622,563
Other liabilities		1,514,333	2,888,667
Total liabilities		46,591,768	55,609,060
Commitments and contingencies			
Stockholders' equity:			
Common stock, $1 par value. Authorized, issued, and outstanding, 54,500 shares		54,500	54,500
Contributed capital		3,478,391	3,478,391
Retained earnings		33,346,062	23,367,026
Stockholders' equity attributable to Natives of Kodiak, Inc.		36,878,953	26,899,917
Noncontrolling interest		382,042	415,198
Total stockholders' equity		37,260,995	27,315,115
Total liabilities and stockholders' equity	$	83,852,763	82,924,175

Consolidated Statements of Operations

		2025	2024
Revenues and investment income:			
Contract revenue	$	176,599,779	202,813,810
Investment income		2,371,528	1,687,727
Rental income		89,359	82,459
Accounting and management fees		49,812	37,861
Total revenues and investment income		179,110,478	204,621,857
Expenses:			
Direct costs		137,132,814	175,097,218
Overhead		6,920,254	2,817,116
Selling		3,125,597	2,688,997
General and administrative		14,662,826	14,707,358
Depreciation		327,830	328,329
Amortization		1,525,668	1,619,391
Total expenses		163,694,989	197,258,409
Operating income		15,415,489	7,363,448
Other income (expense):			
Income (loss) from affiliates		(91,704)	112,981
Interest expense		(445,982)	(1,214,026)
Gain on sale or disposal of asset		932,763	256,579
Grant income		205,599	224,063
Other income		138,495	435,370
Income before income taxes		16,154,660	7,178,415
Income tax expense		(3,599,098)	(2,182,000)
Net income		12,555,562	4,996,415
Net income attributable to noncontrolling interest		(573,601)	(317,519)
Net income attributable to Natives of Kodiak, Incorporated	$	11,981,961	4,678,896

Consolidated Statements of Changes in Stockholders' Equity

		Common Stock	Contributed Capital	Retained Earnings	Equity attributable to Natives of Kodiak, Inc.	Noncontrolling Interests	Total Stockholders' Equity
Balance at December 31, 2023	$	54,500	3,478,391	19,404,729	22,937,620	466,657	23,404,277
Net income		—	—	4,678,896	4,678,896	317,519	4,996,415
Distributions to NOK Benefits Trust		—	—	(716,599)	(716,599)	—	(716,599)
Distributions to noncontrolling interests		—	—	—	—	(379,520)	(379,520)
Contributions from noncontrolling interests		—	—	—	—	10,542	10,542
Balance at December 31, 2024		54,500	3,478,391	23,367,026	26,899,917	415,198	27,315,115
Net income		—	—	11,981,961	11,981,961	573,601	12,555,562
Distributions to NOK Benefits Trust		—	—	(2,002,925)	(2,002,925)	—	(2,002,925)
Distributions to noncontrolling interests		—	—	—	—	(720,682)	(720,682)
Contributions from noncontrolling interests		—	—	—	—	113,925	113,925
Balance at December 31, 2025	$	54,500	3,478,391	33,346,062	36,878,953	382,042	37,260,995

Consolidated Statements of Cash Flows

		2025	2024
Cash flows from operating activities:			
Net income	$	12,555,562	4,996,415
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation		3,544,829	4,463,347
Amortization		1,525,105	1,619,390
Gain on securities, net		(1,891,879)	(1,369,367)
(Gain) loss on sale and disposal of property and equipment		(983,294)	(256,579)
Loss (income) from affiliates in excess of cash received		91,704	(112,979)
Deferred taxes		3,154,403	1,727,959
Noncash interest and other expense		—	(21,559)
Changes in components of assets and liabilities that provided (used) cash:			
Accounts receivable		11,267,793	(13,832,599)
Contract assets		(1,262,073)	(3,942,360)
Income tax receivable		(18,504)	(275,910)
Prepaid expenses		(156,762)	120,898
Other assets		811,625	(2,803,574)
Accounts payable and accrued expenses		(9,222,414)	9,262,933
Accrued payroll and related costs		495,773	550,755
Contract liabilities		2,700,624	3,469,846
Lease liabilities, net		(597,679)	(458,744)
Income tax payable		—	—
Other current assets and liabilities		317,728	4,317,176
Net cash provided by operating activities		22,332,541	7,455,048
Cash flows from investing activities:			
Proceeds from sales of securities		4,166,240	3,602,305
Purchase of securities		(4,456,280)	(3,921,813)
Proceeds from sales of property and equipment		1,551,715	315,975
Purchase of property and equipment		(850,168)	(1,521,149)
Distributions in excess of earnings from equity method investments		(53,910)	171,500
Net cash provided by (used in) investing activities		357,597	(1,353,182)
Cash flows from financing activities:			
Principal payments on long-term debt		(3,088,534)	(1,712,857)
Principal payments on finance lease obligation		(404,084)	(497,042)
Borrowings on lines of credit		—	1,076,410
Repayments on lines of credit		—	(4,076,410)
Distribution to Benefits Trust		(2,002,925)	(716,599)
Contributions from noncontrolling interest		113,925	10,542
Distributions to noncontrolling interest		(720,682)	(379,520)
Net cash used in financing activities		(6,102,300)	(6,295,476)
Net increase (decrease) in cash and cash equivalents		16,587,838	(193,610)
Cash and cash equivalents at beginning of year		2,197,912	2,391,522
Cash and cash equivalents at end of year	$	18,785,750	2,197,912

Notes to Consolidated Financial Statements

(1) History and Operations

Natives of Kodiak, Incorporated (the Company or NOK) was incorporated according to the Alaska Native Claims Settlement Act (Act or ANCSA), which resolved Alaska Native land claims. Under the terms of the Act (and amendments), the Company was entitled to $250,000 and the surface estate of 23,040 acres of land of which patent has been received on 23,028 acres. The regional corporation within whose designated boundaries the Company is located will receive title to the subsurface estate. Of the 23,028 acres, 2,866 have been sold in prior years.

The Company's stock and rights thereto may not be sold, pledged, or treated as an asset under Title 11 of the Act. However, the stock may be transferred to a Native or a descendant of a Native in certain circumstances or by will or intestate succession. The stock shall carry voting rights only if the holder thereof is an eligible Native or a descendant of a Native. The Company has 1,063 individual shareholders and 5,058 shares of the 54,500 shares of stock are nonvoting at December 31, 2025. All shares of stock carry the same economic benefits.

The Company manages operations of its wholly and partially owned 8(a) certified contracting companies, which specialize in building construction, paving and road construction, environmental services and remediation, and operational support services. The Company's operations also include management of a diversified portfolio of investment securities and equity investments in operating companies and management of its lands received under ANCSA for the benefit of its stockholders.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, VXM, Inc. (VXM), KOMAN, Inc. (KOMAN), Kodiak Leasing, LLC (KL), and KOMAN Holdings, LLC (Holdings), along with various second tier wholly and partially owned subsidiaries.

All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Cash

Cash includes demand deposits held with a financial institution. Cash equivalents, such as money market funds, intended to be invested as a part of the Company's investment portfolio are included in investment securities.

(d) Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Unbilled receivables consist of revenue earned that is not yet billable under the terms of the sales contract. Accounts receivable are recorded net of an allowance for credit losses estimated by management based on historical experience adjusted for current and reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk and industry trends. The estimate of expected credit losses includes expected recoveries of amounts previously written off as well as amounts expected to be written off.

(e) Investment Securities

Investment securities are reported at fair value and both unrealized holding gains and losses and realized gains and losses are recognized in net income. Gains and losses on sales of securities are computed using the first in first out identification basis. Purchases and sales of securities are recorded on a trade date basis. Dividend and interest income are recognized when earned.

(f) Investments in Affiliates

Investments in affiliates are accounted for using the equity method when the Company has the ability to exercise influence over operating and financial policies of an investee. Flow through entity investments (such as partnerships and limited liability companies) are accounted for on the equity method unless the ownership is so minor (generally, less than 3%–5%) that the Company has virtually no influence on the investee.

Under the equity method, the Company's proportionate share of affiliate earnings is included in income when earned and undistributed earnings are recorded as an increase in the investment, and distributions are recorded as a decrease in the investment when received. Distributions in excess of the investment value are reported as deferred income when they do not represent the completion of the earnings process. Distributions received in excess of accumulated earnings of the investee are considered a return of investment and are reported as an investing activity in the consolidated statements of cash flows.

Investments in affiliates for which the Company has virtually no influence and for which there is not a readily determinable fair value, are reported at cost, less impairment, plus or minus subsequent adjustments for observable price changes.

(g) Land Held for Development

Land held for development is stated at the lower of cost or estimated fair value. Land improvements and development costs are capitalized.

(h) Reforestation

Reforestation of land previously logged in commercial timber operations is recorded at cost. The land reforested is held for future timber operations, which are expected to become commercially viable in approximately 50 to 90 years.

(i) Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization of property and equipment are provided principally by the straight line method over a period based on the estimated useful lives of assets or terms of related leases, if shorter. Depreciation on assets used directly in the fulfillment of operating activities is included within "direct costs" or "overhead" in the consolidated statements of income.

	Estimated useful life in years
Leasehold improvements	5
Modular facilities	5
Equipment and lab equipment	2-10
Office furniture and equipment	2-10
Vehicles, heavy machinery, and water vessels	3-10

(j) Leases

The Corporation is a lessee in several noncancellable operating leases and finance leases, primarily for vehicles used in its core construction and services business lines (finance leases), and for office equipment and office space (operating leases). The Company accounts for leases in accordance with Topic 842, Leases. The Corporation determines if an arrangement is or contains a lease at contract inception. The Corporation recognizes a right of use (ROU) asset and a lease liability at the lease commencement date.

For all asset classes of operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date using the interest rate implicit in the lease or, if that rate cannot readily be determined, a risk free discount rate for a period comparable with that of the lease. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective interest method.

The lease term for all the Corporation's leases includes the noncancellable period of the lease plus any additional periods covered by either a Corporation option to extend (or not to terminate) the lease that the Corporation is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease payments included in the measurement of the lease liability are comprised of the following:

- Fixed payments, including in substance fixed payments, owed over the lease term (which includes termination penalties the Corporation would owe if the lease term assumes the Corporation's exercise of a termination option);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
- Amounts expected to be payable under a Company provided residual value guarantee; and
- The exercise price of a Corporation option to purchase the underlying asset if the Corporation is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Corporation or the Corporation is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

ROU assets for operating and finance leases are periodically reduced by impairment losses. The Corporation uses the long lived assets impairment guidance in ASC Subtopic 360 10, Property, Plant, and Equipment – Overall, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

The Corporation monitors for events or changes in circumstances that require a reassessment of any of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

The Corporation has elected not to recognize ROU assets and lease liabilities for leases that have a lease term of 12 months or less. The Corporation recognizes the lease payments associated with these short term leases as an expense on a straight line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Corporation leases.

The Corporation's leases generally exclude non lease maintenance services (i.e. equipment maintenance or common area maintenance). The Corporation has not elected the practical expedient to account for lease and non lease components as a single lease component for all asset classes. Therefore, the lease payments used to measure the lease liability include only the base rent portion of fixed consideration in the contract.

(k) ANCSA Lands and Resources

The Company records all land and resources transferred under the terms of the Act at zero value, unless amounts were paid that directly related to a parcel acquired, because the land and resource transfer represented a nonmonetary exchange with the stockholders.

(l) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Intangible assets with estimated useful lives are amortized over their respective estimated useful lives to their estimated residual values. Goodwill is amortized on a straight line basis over 10 years. Goodwill is tested for impairment at the entity level when a triggering event occurs that indicates that the fair value may be below its carrying amount. The goodwill impairment amount, if any, represents the excess of the carrying amount over its fair value, limited to the carrying amount of goodwill.

(m) Long Lived Assets

Long lived assets, such as property and equipment and investment in affiliates, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long lived asset, asset group, or investment in affiliate be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. When long lived assets meet the criteria to be held for sale, the assets are recorded at the lower of their carrying value or estimated fair value, less costs to sell. Fair value is determined through various methods including discounted cash flow models and quoted market values, as considered necessary.

The Company did not recognize impairment during the years ended December 31, 2025 and 2024.

(n) Fair Value Measurement

When estimating fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(o) Revenue Recognition

The Company recognizes revenue mainly through construction, professional service, and manufacturing contracts with government and commercial customers. The Company's contracts generally range from a few months to five years.

The revenue recognition process involves five steps to (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

Most of the Company's contracts with customers contain a single performance obligation as the customer has contracted with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Less commonly, however, the Company may promise to provide distinct goods or services within a contract, in which case the Company separates the contract into more than one performance obligation. Assurance type warranties are the only warranties provided by the Company, and they are not considered a separate performance obligation.

Revenue is measured by the transaction price, which is defined as the amount of consideration the Company expects to receive in exchange for providing goods or services to the customer. The transaction price does not include any state or local taxes collected from customers on behalf of governmental authorities. The Company made the accounting policy election to continue to exclude these amounts from revenues. The Company estimates variable consideration for a performance obligation at the most likely amount to which the Company expects to be entitled (or the expected value amount the Company expects to incur in the case of liquidated damages), utilizing estimation methods that best predict the amount of consideration to which the Company will be entitled (or will be incurred in the case of liquidated damages). The Company includes variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in transaction price are based largely on an assessment of its anticipated performance and all information (historical, current, and forecasted) that is reasonably available to the Company. The Company reviews and updates these estimates regularly, and the impact of any adjustments are recognized in the period the adjustments are identified.

If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation.

The Company generally recognizes revenue over time as the Company performs on the identified performance obligations because of continuous transfer of control to the customer. For the customer contracts, this continuous transfer of control to the customer is supported by clauses in the contract that allow the customer to unilaterally terminate the contract for convenience, pay the

Company for costs incurred plus a reasonable profit, and take control of any work in process or services that do not have an alternative use to the Company.

Amounts billed and due from customers are short term in nature and are classified as receivables when payments are unconditional and only the passage of time is required before payments are due. Under typical payment terms for the Company's contracts, the customer pays progress payments based on the terms of the contract. These progress payments can include interim payments up to a certain percentage of costs incurred as the work progresses as the customer can be entitled to withhold a retainage amount until completion of the project. When the customer retains a portion of the contract price until completion of the contract, the retention is included within accounts receivable on the balance sheet. The portion of payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. The Company has elected the practical expedient to not assess a significant financing component when the time between payment and the performance is less than a year. Contract liabilities consist of fees invoiced or paid by the Company's customers for which the associated performance obligations have not been satisfied and revenue has not been recognized based on the Company's revenue recognition criteria.

Contracts are often modified to account for changes in contract specifications and requirements that may be initiated by the Company or its customers. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Either the Company or its customers may initiate change orders, which may include changes in specifications or designs, manner of performance, facilities, equipment, materials, sites and period of completion of the work. In the Company's construction and some professional service contracts, contract modifications are not distinct from the existing contract due to the significant integration service provided in the contract and are accounted for as a modification of the existing contract and performance obligation. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch up basis. In other instances, such as execution of option years or adding additional services, the contract modifications are treated as separate contracts or a termination of the original and a new contract going forward as the goods and services provided prior to the modification are distinct from those provided after. These types of modifications are accounted for on a prospective basis as they occur.

(i) Contract Revenue

Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. For construction, custom manufacturing, and some professional service contracts, the Company uses the cost to cost measure of progress because it best depicts the transfer of control to the customer, which occurs as the Company incurs costs on its contracts. Under the cost to cost measure of progress the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, included estimated fees or profits, are recorded proportionally as costs are incurred. Costs incurred include direct material and labor costs and those indirect costs related to contract performance.

Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total cost at completion is complex, subject to many variables, and requires significant judgment. Management must make assumptions and estimates regarding the availability and productivity of labor, the complexity of the work to be performed, the availability and cost of materials, the performance of subcontractors, and the potential for unexpected weather conditions, among other factors. A significant change in the estimate of cost at completion could affect the nature, amount, and timing of revenue and overall profitability of contracts. Revisions in cost and earnings estimates are reflected in the period during which the facts requiring the revision become known, using the cumulative catch up method.

For environmental services contracts, the Company generally uses an output method to measure progress because it best depicts the Company's progress toward providing contracted services to the customer. The output is determined using units completed, tests performed, or qualitative measures of progress, and progress is measured based on the ratio of progress completed to the total volume of services contracted.

In some contracts, the right to invoice practical expedient is a better indicator of measuring the Company's progress in satisfying its obligation to the customers as the fixed amount charged for actual time spent on the contract performance reflects the value provided to the customer. In these instances, the

Company recognizes revenue based on the invoiced value to the customer.

Provision for estimated losses on uncompleted contracts is made in the period in which such losses are determined. Change in job performance, job conditions, and estimated profitability may result in revisions to cost and revenue and are recognized in the period in which the revisions are determined.

During the year ended December 31, 2025, approximately 98% of the Company's contract revenue was from the U.S. government, and 2% was with commercial customers. Also during the year ended December 31, 2025, approximately 64% of the Company's contract revenue was for construction services, and 36% was for professional services, including leasing services.

During the year ended December 31, 2024, approximately 99% of the Company's contract revenue was from the U.S. government, and 1% was with commercial customers. Also during the year ended December 31, 2024, approximately 66% of the Company's contract revenue was for construction services, and 34% was for professional services, including leasing services.

(p) General and Administrative

General and administrative costs include administrative personnel costs; legal, accounting, and other professional fees; directors' cost and fees; annual shareholder meeting; donations and contributions; annual report and newsletter preparation and printing cost; advertising, office rent; travel; insurance; office supplies; and other costs necessary for the effective operation of the Company.

(q) Income Taxes

Funds received under provisions of the Act from the Alaska Native Fund are not subject to federal, state, or local income taxes. Real property interests received according to the Act are also not subject to income taxes; however, income derived from the real property interests and other operations of the Company are subject to federal, state, and local income taxes.

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. The Company recognizes deferred tax assets attributable to lands and resources received under the Act at the time a tax basis is established for the lands and resources, generally, when the lands and resources are first placed in service or used for commercial development. Tax benefits attributable to lands and resources received under the Act are recorded as a reduction of tax expense. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in enacted tax law or rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025 and 2024, the Company had no accrued income tax interest or penalties relating to unrecognized tax benefits.

(3) Accounts Receivable

Accounts receivable consisted of the following at December 31:

		2025	2024
U.S. government	$	19,210,831	30,632,357
Commercial contract customers		396,999	7,729
State and local governments		132,709	374,073
Not-for-profit and other customers		10,536	4,709
	$	19,751,075	31,018,868

The Company determined no allowance for credit loss was necessary at December 31, 2025 and 2024.

(4) Investment Securities

Investment securities are carried at fair value, which is determined using quoted prices in active markets for identical assets. This is considered a "Level 1" measurement under the fair value hierarchy. As of December 31, 2025 and 2024, the Company's investment securities are summarized as follows:

	Operating accounts		Scholarship fund	
	2025	**2024**	**2025**	**2024**
Interest receivable	$ 7,720	7,625	—	—
Money market funds	141,786	189,450	24,041	22,792
Equity securities	4,739,447	4,032,930	206,835	196,925
U.S. Treasuries	326,975	422,634	—	—
Government agencies	—	100,410	—	—
Corporate bonds	501,795	291,893	—	—
Exchange traded funds:				
Equity	2,943,055	2,236,916	369,805	297,039
Debt	879,992	852,834	35,157	19,800
Real assets	548,359	387,549	16,712	—
Mutual funds:				
Equity	2,949,478	2,497,738	56,421	53,745
Debt	1,384,921	1,325,629	122,219	109,684
Real estate	2,685	2,766	4,155	4,281
Alternative	572,204	584,429	—	14,770
	$ 14,998,417	12,932,803	835,345	719,036

Investment income consisted of the following for the years ended December 31:

	2025	**2024**
Interest, dividends, and capital gain distributions	$ 528,661	298,888
Net realized and unrealized gains	1,729,057	1,310,513
	2,257,718	1,609,401
Scholarship fund:		
Interest, dividends, and capital gain distributions	19,292	19,472
Net realized and unrealized gains	94,518	58,854
	113,810	78,326
Total investment income	$ 2,371,528	1,687,727

(5) Scholarship Fund

The Scholarship program (Scholarship Fund) was initiated in 1981 to encourage stockholders to continue their higher education by providing an annual scholarship to stockholders or descendants of stockholders selected by the scholarship committee. A summary of Scholarship Fund activity for the years ended December 31 is as follows:

		2025	2024
Beginning balance, at fair value	$	719,036	640,710
Scholarship Fund income		113,809	78,326
Scholarship Contributions		2,500	—
Ending balance, at fair value	$	835,345	719,036

All scholarship benefits were paid from the NOK Benefits Trust, a related party to the Company, during the years ended December 31, 2025 and 2024.

(6) Investment in Affiliates

The Company has interests in various affiliates and joint ventures accounted for using the equity method. These companies, the percentage of ownership and the business in which they are engaged as of December 31, 2025 are as follows:

	Ownership		Business
Koncor Forest Products, JV	35.04	%	Timber management
Kodiak Support Services, JV	49.00		Base operating support services
Midnight Sun-Trinity JV, LLC	49.00		Environmental remediation services

The following table presents the aggregate summary financial information for investments in joint ventures and affiliates accounted for using the equity method as of and for the years ended December 31:

		2025 (unaudited)			
		Koncor Forest Products, JV	Kodiak Support Services, JV	Midnight Sun Trinity JV, LLC	Total
Current assets	$	1,114,617	43,332	195,611	1,353,560
Total assets	$	1,114,617	43,332	195,611	1,353,560
Current liabilities	$	—	92,894	—	92,894
Equity		1,114,617	(49,562)	195,611	1,260,666
Total liabilities and equity	$	1,114,617	43,332	195,611	1,353,560
NOK's share of equity	$	390,557	(24,277)	95,849	462,129
Revenue	$	27,451	—	61,484	88,935
Cost and expenses		(154,574)	(67,706)	(14,844)	(237,124)
Net income (loss)	$	(127,123)	(67,706)	46,640	(148,189)
NOK's share of income (loss)	$	(44,543)	(37,926)	(9,235)	(91,704)

		2024 (unaudited)			
		Koncor Forest Products, JV	Kodiak Support Services, JV	Midnight Sun Trinity JV, LLC	Total
Current assets	$	1,241,784	10,729	252,395	1,504,908
Total assets	$	1,241,784	10,729	252,395	1,504,908
Current liabilities	$	45	92,894	37,938	130,877
Equity		1,241,739	(82,165)	214,457	1,374,031
Total liabilities and equity	$	1,241,784	10,729	252,395	1,504,908
NOK's share of equity	$	435,105	(40,261)	105,081	499,925
Revenue	$	365,773	—	522,021	887,794
Costs and expenses		(176,177)	(12,019)	(481,083)	(669,279)
Net income (loss)	$	189,596	(12,019)	40,938	218,515
NOK's share of income (loss)	$	66,719	(5,889)	52,148	112, 978

The Company also owns a less than 1% interest in PT Holding Company, LLC which was established in 2013 to serve its clients focusing on the Arctic market, Arctic issues, indigenous peoples, policies and legislation through its private equity, broker dealer, and advisory business lines. PT Holding Company, LLC and its subsidiaries provide financial advisory services and consulting services focused on business development, strategic planning, diversification, and regulatory and legislative advocacy.

The following table reconciles NOK's share reported above to amounts included in the accompanying consolidated balance sheets and statements of operations:

		2025		
		Equity method	Adjusted cost method	Total
Investment in affiliates	$	462,129	250,000	712,129
Income from affiliates		(91,704)	—	(91,704)

		2024		
		Equity method	Adjusted cost method	Total
Investment in affiliates	$	499,925	250,000	749,925
Income from affiliates		112,978	—	112,978

(7) Property and Equipment

Property and equipment consisted of the following at December 31:

		2025	2024
Land	$	7,226	7,226
Buildings		276,777	276,777
Land, building and leasehold improvements		521,414	108,301
Vehicles, water vessels, and heavy machinery		8,551,339	9,850,325
Office furniture and equipment		3,329,196	3,359,385
Modular facilities		6,357,999	6,313,808
Artwork		257,285	257,285
Work in progress		343,619	133,533
Less accumulated depreciation		(13,437,458)	(12,060,674)
Net property and equipment	$	6,207,397	8,245,966

Vehicles and heavy machinery with a carrying value of $1,525,105 and $1,750,149 at December 31, 2025 and 2024, respectively are pledged to secure long-term debt.

(8) Goodwill, Net

The carrying amount of goodwill as of December 31 was as follows:

		2025	2024
Gross goodwill	$	16,236,833	16,236,833
Less accumulated amortization		(14,582,124)	(13,057,019)
Net balance as of December 31	$	1,654,709	3,179,814

The net balance of goodwill decreased by $1,525,105, and $1,619,390 during the years ended December 31, 2025 and 2024, respectively, through amortization. There were no other changes in goodwill during those years. The Company expects amortization expense of $1,525,105 annually until the goodwill is fully amortized.

(9) Long-Term Debt

Long term debt consisted of the following as of December 31:

		2025	2024
Notes payable held by NOK to a financial institution with a variable rate based on the FHLB-Boston 5-year classic advance index rate plus 3.625%, or 8.075% at December 31, 2025, monthly principal and interest payments totalling $23,582 with final payment due June 2034; secured by land.	$	1,642,299	1,863,578
Notes payable held by NOK to Natives of Kodiak Shareholder Permanent Fund Trust, a related party, with a fixed rate of 11.0%, monthly principal and interest payments totalling $47,833 with final payments due December 31, 2028; secured by ANCSA land.		763,564	2,223,217
Notes payable held by KH to a limited liability company with a fixed rate of 10.25%; monthly principal and interest payments totalling $52,812 with final payment due November 2026; secured by SWP equipment.		536,831	1,088,519
Notes payable held by SWP to financial institutions for vehicles and equipment with rates between 3.77%-8.45% per annum, monthly principal and interest payment totalling $32,300 with final payment due between October 2023 and November 2026, secured by equipment.		152,657	163,679
Notes payable held by SWP to corporations with rates between 0%-12.0% per annum, monthly principal and interest payment totalling $37,576, with final payments due between August 2023 and November 2027; secured by vehicles and equipment.		67,355	391,531
Matured obligation		—	520,717
		3,162,706	6,251,241
		(1,389,286)	(2,338,014)
Less current portion, net	$	1,773,420	3,913,227

Future principal payments due on long-term debt are as follows:

Years ending December 31:		
2026	$	1,389,286
2027		437,416
2028		172,609
2029		187,676
2030		203,567
Thereafter		772,152
	$	3,162,706

(10) Leases

The components of lease cost recognized in the consolidated statements of operations for the years ended December 31 were as follows:

		2025	2024
Operating lease cost	$	659,188	561,194
Finance lease cost			
Amortization of right of use assets		424,588	643,348
Interest on lease liabilities		23,506	56,708
Total finance lease cost		448,094	700,056
Variable lease cost		51,062	56,395
Total lease cost	$	1,158,344	1,317,645

Other information related to leases as of or for the years ended December 31 was as follows:

		2025	2024
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flow from operating leases	$	656,969	615,214
Operating cash flow from finance leases		4,638	56,708
Financing cash flow from finance leases		402,953	597,764
ROU assets obtained in exchange for lease obligations			
Operating leases	$	848,756	126,406
Finance leases		122,895	68,827
Reductions to ROU assets resulting from reductions to lease obligations:			
Operating leases	$	452	73,285
Finance leases		190,675	385,294
Weighted average remaining lease term:			
Operating leases		2.6 years	2.5 years
Finance leases		0.7 years	1.5 years
Weighted average discount rate:			
Operating leases		4.44%	4.43%
Finance leases		6.22%	6.30%

Amounts disclosed for ROU assets obtained in exchange for lease obligations included amounts added to the carrying amount of ROU assets resulting from lease modification and reassessment.

Maturities of lease liabilities under noncancellable leases as of December 31, 2025 are as follows:

		Operating leases	Finance leases
2026	$	603,283	135,093
2027		469,159	2,496
2028		152,241	180
2029		148,747	—
Total undiscounted lease payments	$	1,373,430	137,769
Less imputed interest		(54,121)	(2,732)
Total lease liabilities	$	1,319,309	135,037

(b) Lessor

During 2021, the Company entered into a one-year operating lease with a third party to lease land "Sun'ami Tract A" in Kodiak. The lease has since been amended to extend the term until April 30, 2026. The cost of the land as of December 31, 2025 and 2024 was $48,679. Lease income for the land for the years ended December 31, 2025 and 2024 was $76,800 and $70,000, respectively, and is recorded in "Rental income" in the statements of operations. Minimum future lease income on this operating lease for the next five succeeding years is $26,400, $0, $0, $0 and $0.

The Company leases modular facilities to third parties under multiple operating leases. The cost and accumulated depreciation of the modular facilities was $6,357,999 and $5,012,929, respectively, as of December 31, 2025, and $6,357,999 and $3,711,681, respectively, as of December 31, 2024. Lease income for the modular facilities for the years ended December 31, 2025 and 2024 was $1,508,718 and $2,421,104, respectively, which are recorded in "Contract revenue" in the statements of operations. Minimum future lease income on these operating leases for the next five succeeding years is $1,683,458, $1,330,959, $1,065,302, $477,574, and $484,738.

(11) Lines of Credit

The Company has two revolving lines of credit with a financial institution:

- $13,000,000, with outstanding borrowings bearing interest computed based on the adjusted daily SOFR index plus 2.0% (3.87% at December 31, 2025). Borrowings outstanding including interest at December 31, 2025 and 2024 were $0. The line was extended through June 30, 2026.
- $6,000,000, with outstanding borrowings bearing interest computed at an index less 1.1% of the bank's prime rate (6.75% at December 31, 2025). Borrowings outstanding including interest at December 31, 2025 and 2024 were $0. The maturity date of this line is on demand.

The lines of credit contain various restrictive and financial covenants and are secured by cash, accounts receivable, inventory, equipment, and the Company's investment portfolio.

(12) Income Taxes

Income tax expense attributable to income from continuing operations consisted of the following during the years ended December 31:

		Current	Deferred	Total
2025:				
U.S. Federal	$	205,197	1,518,884	1,724,081
State and local		239,498	1,635,519	1,875,017
		444,695	3,154,403	3,599,098

		Current	Deferred	Total
2024:				
U.S. Federal	$	129,691	1,366,416	1,496,107
State and local		324,350	361,543	685,893
		454,041	1,727,959	2,182,000

The following table is a reconciliation of the "expected" income taxes, using the U.S. federal statutory income tax rate to reported income tax expense:

	2025	2024
Computed "expected" tax expense	$ 3,392,479	1,507,467
State and foreign income taxes, net of federal tax benefit excluding change in valuation allowance	628,434	363,697
Change in valuation allowance	28,033	54,007
Contribution to Settlement Trust	(420,614)	(150,482)
Other	(29,234)	407,311
	$ 3,599,098	2,182,000

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31 are presented below:

		2025	2024
Deferred tax assets			
Land held for development, primarily due to tax basis of lands transferred under the Act	$	892,699	911,198
Timber rights, primarily due to tax basis of resources transferred under the Act		205,744	205,743
Net operating loss and other carryforwards		2,330,189	3,119,389
Accured expenses and other		1,385,217	3,306,010
Operating lease liabilities		324,368	273,591
Investments in affiliated companies		293,833	721,273
Total gross deferred tax assets		5,432,050	8,537,204
Less valuation allowance		(1,289,954)	(1,261,921)
Net deferred tax assets		4,142,096	7,275,283
Deferred tax liabilities:			
Investments in affiliated companies		(107,833)	(97,475)
Property and equipment		(1,243,184)	(1,572,378)
Unrealized gains on investment securities		(1,101,199)	(811,923)
Operating lease right-of-use assets		(314,226)	(263,450)
Total gross deferred liabilities		(2,766,442)	(2,745,226)
Net deferred taxes	$	1,375,654	4,530,057

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management does not consider it more likely than not that certain net operating loss and other carryforwards will be realized prior to their expiration, and, accordingly, has established a valuation allowance against these deferred tax assets. Management believes it is more likely than not that the remaining deferred tax assets, which do not expire, will be realized through the generation of future operating income.

At December 31, 2025, the Company had State of Alaska net operating loss carryforwards available to offset future taxable income. If not used, the net operating loss carryforwards will expire during the years ending December 31 as follows:

	State of Alaska
2030	$ 2,622,109
2031	491,407
2032	3,850,218
2033	3,320,021
2034	4,123,563
2035	623,088
2036	3,417,584
	$ 18,447,990

The Company also had $3,413,355 of federal and $801,961 of State of Alaska net operating loss carryforwards that do not expire available to offset future taxable income.

(13) 401(k) Employee Benefit Plan

The Company and its subsidiaries has a 401(k) benefit plan available to all employees who meet the plan eligibility rules of age and service. The Plan provides for employee salary deferrals, safe harbor match, Company discretionary profit sharing contributions, and prevailing wage. Under the provisions of the plan document, the Company matches employee contributions up to 4% of employee deferral amounts. Discretionary contributions are determined by the board of directors annually. The plan follows a 6 year graded vesting schedule for discretionary profit sharing. Employee elective contributions, safe harbor match contributions, and prevailing wage contributions are 100% vested immediately. To be eligible for the profit sharing contribution, the participant must be employed on the last day of the plan year and have completed 1,000 hours of services during the plan year. The Company's total contribution expense for the years ended December 31, 2025 and 2024 was $915,144 and $850,320, respectively.

(14) Statement of Cash Flows

Supplemental information regarding cash and noncash activity for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Supplemental disclosure of cash flow information		
Interest paid	$ 445,624	1,209,385
Income taxes paid	562,048	687,297
Income tax refunds received	98,849	117,670
Supplemental schedule of noncash investing and financing activites:		
Purchase of equipment, vehicles, and heavy machinery through finance lease and other noncash adjustments, net.	$ 122,895	68,827

(15) *Related-Party Transactions*

NOK provides accounting services to Natives of Kodiak Shareholder Permanent Fund Trust. The total amount included as accounting and management fees revenue in the consolidated financial statements was $6,151 and $10,812 for years ended December 31, 2025 and 2024, respectively. NOK also provides accounting services to the NOK Benefits Trust. The total amount included as accounting and management fees revenue in the consolidated financial statements was $5,519 and $7,284 for years ended December 31, 2025 and 2024, respectively.

During the years ended December 31, 2025 and 2024, the Company made cash contributions of $2,002,925 and $716,599, respectively, to the NOK Benefits Trust.

(16) *Concentration, Commitments, and Contingencies*

(a) Concentrations

A significant portion of the contracts with the federal government were granted under the Small Business Administration (SBA) 8(a) program that exempts U.S. government granting agencies from certain federal procurement regulations when awarding contracts to 8(a) participants. The SBA further exempts awarding agencies from certain contract size limitations when awarding contracts to 8(a) participants owned by Alaska Native Corporations. Changes in U.S. government spending, the 8(a) program, or both could have a significant positive or negative impact on the liquidity, results of operations, and financial condition of the Company. Additionally, federal government contract costs, including indirect expenses, are subject to audit and adjustment by the Defense Contract Audit Agency. Contract revenue has been recorded based on amounts expected to be realized upon final settlement.

(b) Claims and Legal Actions

During 2019, the Company's unconsolidated joint venture Kodiak Support Services (KSS) received a withdrawal liability notice and demand for payment of $10,700,000 from the Alaska Teamster Employer Pension Trust Fund (Trust). KSS believes there are statutory means available that would significantly reduce and limit the withdrawal liability and vigorously contested the amount of the liability and filed for a Request for Review with the Trust. The Trust responded by denying KSS' Request for Review. The parties entered into and completed arbitration which concluded that more information was needed and, therefore, did not rule in favor of either party. Although the matter is unresolved, given the uncertainty of amount to be ultimately paid to the Trust, KSS, and the Company have made no provision for any estimated liability in the accompanying financial statements.

The Company is involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

(c) Surety Bonds

As part of its construction business, the Company obtains certain surety bonds that require that the Company indemnify the bonding company from any and all losses related to the construction project.

(d) Other

FDIC regulations relating to the insurance limits on noninterest bearing deposits exposes the Company to concentrations of credit risk relating to its cash balances. Deposits are insured up to $250,000 at each financial institution. The Company holds its cash balances with high quality financial institutions and as such considers its exposure to credit risk to be minimal.

The Company was transferred land under ANCSA that has environmental contamination. As the contamination occurred prior to the transfer to the Company, the remediation associated with the site is the responsibility of the U.S. government. Remediation is being conducted by the U.S. Army Corps of Engineers under the Formerly Used Defense Sites program.

(17) *Subsequent Events*

The Company has evaluated subsequent events from the balance sheet date through March 27, 2026, the date the consolidated financial statements were available to be issued.

Natives of Kodiak Shareholder Permanent Fund Trust 2025 Financial Statements

KPMG

The Board of Trustees
Natives of Kodiak Shareholder Permanent Fund Trust:

Opinion

We have audited the financial statements of Natives of Kodiak Shareholder Permanent Fund Trust (the Trust), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, changes in beneficiaries' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

KPMG LLP

Anchorage, Alaska
March 27, 2026

Balance Sheets

Assets		2025	2024
Current assets:			
Cash	$	250,893	185,775
Prepaid expenses		12,445	317
Income taxes receivable		226	—
Notes receivable, current portion		515,483	1,317,310
Total current assets		779,047	1,503,402
Investment securities		10,802,471	4,967,427
Investment in affiliates		90,212	590,747
Notes receivable, non-current portion		252,223	1,426,623
Deferred tax assets		211,914	182,539
Total assets	$	12,135,867	8,670,738
Liabilities and Beneficiaries' Equity			
Current liabilities:			
Accrued expense	$	26,192	9,750
Due to related parties		218	831
Distributions payable		18,806	54,895
Income taxes payable		—	34,040
Total current liabilities		45,216	99,516
Total liabilities		45,216	99,516
Commitments			
Beneficiaries' equity:			
Contributed capital		8,342,323	8,342,323
Unallocated income		3,748,328	228,899
Total beneficiaries' equity		12,090,651	8,571,222
Total liabilities and beneficiaries' equity	$	12,135,867	8,670,738

Statement of Operations

		2025	2024
Investment income:			
Interest, dividends, and capital gain distributions	$	291,226	150,275
Net gains on investment securities		221,660	118,749
Equity in income and gain from affiliates		3,499,820	50,684
Total investment income		4,012,706	319,708
Interest income		236,035	406,479
Investment management and custodian fees		(35,823)	(35,730)
General and administrative expenses		(77,903)	(65,065)
Income before taxes		4,135,015	625,392
Income tax expense		(15,036)	(40,158)
Net income	$	4,119,979	585,234

Change in Beneficiaries' Equity

		Contributed capital	Unallocated income	Total beneficiaries' equity
Balance at December 31, 2023	$	8,342,323	239,865	8,582,188
Net income		—	585,234	585,234
Distribution declared of $11.00 per unit on 54,200 units outstanding		—	(596,200)	(596,200)
Balance at December 31, 2024		8,342,323	228,899	8,571,222
Net income		—	4,119,979	4,119,979
Distribution declared of $11.00 per unit on 54,200 units outstanding		—	(596,200)	(596,200)
Elder distributions		—	(4,350)	(4,350)
Balance at December 31, 2025	$	8,342,323	3,748,328	12,090,651

Statement of Cash Flows

		2025	2024
Cash flows from operating activities:			
Net income	$	4,119,979	585,234
Adjustments to reconcile net income to net cash provided by operating activities			
Net gains on investment securities		(221,660)	(118,749)
(Income) loss of affiliates in excess of cash received, net		4,437	(50,684)
Deferred taxes		(29,375)	(6,119)
Changes in assets and liabilities that provided (used) cash:			
Prepaid expenses		(12,128)	—
Due from related party		15,829	411
Income taxes payable		(34,266)	46,277
Net cash provided by operating activities		3,842,816	456,370
Cash flows from investing activities:			
Proceeds from sales of investment securities		411,477	2,560,531
Purchases of investment securities		(6,024,861)	(4,842,556)
Distributions in excess of accumulated earnings from investment in affiliates		496,098	56,258
Proceeds from repayment of notes receivable		1,976,227	2,161,000
Net cash used in investing activities		(3,141,059)	(64,767)
Cash flows from financing activities			
Distributions to beneficiaries		(636,639)	(644,224)
Net cash used in financing activities		(636,639)	(644,224)
Net increase (decrease) in cash and cash equivalents		65,118	(252,621)
Cash and cash equivalents, beginning of the year		185,775	438,396
Cash and cash equivalents, end of the year	$	250,893	185,775
Supplemental disclosure of cash activity			
Cash paid for income taxes	$	78,678	—
Supplemental disclosure of noncash investing and financing activities:			
Dividend declared but not paid	$	3,657	8,024

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The shareholders of Natives of Kodiak, Incorporated (the Corporation) approved the Natives of Kodiak Shareholder Permanent Fund Trust Agreement (the Trust Agreement) by vote on September 21, 2002. The Trust Agreement established the Natives of Kodiak Shareholder Permanent Fund Trust (the Trust). The Trust was established under the Settlement Trust provisions of the Alaska Native Claims Settlement Act, as amended.

The Trust was established to promote the health, education, and welfare of the Trust beneficiaries and preserve the heritage and culture of Alaskan Natives by means which include distributions and minimization of taxes. Under the terms of the Trust Agreement, the trustees will determine any distributions from the Trust.

During 2005, the Corporation's board of directors authorized amendments to the Articles of Incorporation to allow the issuance of common stock to three persons, which resulted from the Bureau of Indian Affairs requiring the Corporation's addition of three new shareholders. Because these persons were not shareholders of the Corporation on the date the Trust was established, additional units of the Trust were not awarded. The issuance of the additional Corporation common stock was a Disassociation Event under the Trust Agreement. Accordingly, a shareholder of the Corporation was allowed to own or transfer trust units separately from his/her shares of common stock. That meant it was possible for a shareholder to own a different number of shares of common stock than trust units.

During 2018, Trust beneficiaries approved amendments to the Trust and a Restated Trust Agreement went into effect, which eliminated an inflation proofing requirement, expanded the types of benefits to be paid from the Trust, and allowed discretionary distribution of principal. It also allowed the Trust to be managed jointly with any new Settlement Trust, such as the NOK Benefits Trust and provided for the Corporation's directors to, upon election, also serve as trustees.

The Restated Trust Agreement requires that trust units only be transferred at the same time and in the same manner as the corresponding share of the Corporation common stock, and if Corporation common stock is transferred, the corresponding trust unit is also deemed transferred. The Trust had 54,200 units outstanding as of and during the years ended December 31, 2025 and 2024.

(b) Accounting Method

The accompanying financial statements are prepared on the accrual basis of accounting.

(c) Management Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash includes demand deposits held with a financial institution. At times, deposits may exceed the Federal Deposit Insurance Corporation's $250,000 limit. The Trust holds its cash balances with high quality financial institutions and considers its exposure to credit risk to be minimal.

Cash equivalents, such as money market funds, intended to be invested as a part of the Trust's investment portfolio are included in investment securities.

(e) Investment Securities

The Trust's funds are invested as directed by the trustees of the Trust as set forth in the Trust Agreement.

Securities are carried at fair value and both unrealized holding gains and losses and realized investment gains and losses are recognized in net income. Gains and losses on sales of securities are computed using the specific identification basis. Purchases and sales of securities are recorded on a trade date basis. Professional custodians hold all Trust investments.

(f) Investment in Affiliates

Investment in affiliates are accounted for using the equity method when the Trust has the ability to exercise influence over operating and financial policies of an investee. Flow through entity investments (such as partnerships and limited liability companies) are accounted for on the equity method unless the ownership is so minor (generally less than 3%–5%) that the Trust has virtually no influence on the investee.

Under the equity method, the Trust's proportionate share of affiliate earnings is included in income when earned and undistributed earnings are recorded as an increase in the investment, and distributions are recorded as a decrease in the investment when received. Distributions in excess of the investment value are reported as deferred income when they do not represent the completion of the earnings process and the Trust could be obligated to make additional investment in the affiliate. Distributions received in excess of accumulated earnings of the investee are considered a return of investment and are reported as an investing activity in the statements of cash flows.

(g) Notes Receivable

Notes receivable are recorded at the original principal amount plus interest accrued, less payments made to date. Interest is recognized based on the terms of the individual loan agreements.

Notes receivable are recorded net of an allowance for credit losses estimated by management based on historical experience adjusted for current and reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk and industry trends. The Trust determined no allowance was necessary at December 31, 2025 and 2024.

(h) Expenses and Related Party Transactions

Custodian and related professional expenses are deducted directly from the Trust. General and administrative fees are sometimes paid by the Corporation and then reimbursed by the Trust. The Corporation provides general and administrative services, such as accounting and beneficiary services, to the Trust. Included in general and administrative expenses are $6,151 and $10,812 charged by the Corporation for the years ended December 31, 2025 and 2024, respectively. The trustees are also members of the board of directors and shareholders of the Corporation and are beneficiaries of the Trust.

(i) Income Taxes

The Trust is a qualifying Alaska Native Settlement Trust under Internal Revenue Service regulations. Alaska Native Settlement Trusts do not deduct distributions to beneficiaries, and the beneficiaries are generally not subject to tax on their Alaska Native Settlement Trust distributions.

Contributions to the Trust are taxable as ordinary income if the Corporation elects to deduct such contributions. Income taxes on contributions are allocated directly to beneficiaries' equity. As of December 31, 2025 and 2024, no such contributions have been made to the Trust.

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Trust recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Trust's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025 and 2024, the Trust had no unrecognized tax positions.

(2) Investment Securities

Investment securities are carried at fair value, which is determined using quoted prices in active markets for identical assets. This is considered a "Level 1" measurement under the fair value hierarchy. As of December 31, 2025 and 2024, the Trust's investment securities are summarized as follows:

		2025	2024
Income receivable	$	35,402	—
Money market funds		4,918,092	1,278,717
Corporate bonds		930,916	890,308
U.S. common stock		1,225,930	592,422
International common stock		28,717	28,723
Exchange traded funds:			
Equity		491,751	115,404
Mutual funds:			
Equity		2,077,805	975,023
Debt		521,021	507,684
Alternative		572,837	579,146
	$	10,802,471	4,967,427

(3) Investment in Affiliates

The Trust has interests in various affiliates accounted for using the equity method. These companies, the business in which they are engaged, and percentage of ownership as of December 31 are as follows:

	Business	2025 Ownership	2024 Ownership
Pacific Wealth Advisors, LLC	Individual investment	8.99%	9.08%
Global Cinnaminson II, LLC	Real Estate	10.87%	10.87%
Paramount Hotel, LLC	Real Estate	12.00%	12.00%

		2025			
		Pacific Wealth Advisors, LLC	Global Cinnaminson II, LLC	Paramount Hotel, LLC	Total
Current assets	$	1,754,434	14,543	6,708,250	8,477,227
Other assets		—	668,616	2,656,079	3,324,695
Total assets	$	1,754,434	683,159	9,364,329	11,801,922
Current liabilities	$	1,754,434	10,944	645,979	2,411,357
Other liabilities		—	—	14,000,000	14,000,000
Equity		—	672,215	(5,281,650)	(4,609,435)
Total liabilities and equity	$	1,754,434	683,159	9,364,329	11,801,922
Trust's share of equity	$	— (a)	90,212(b)	— (c)	90,212

		2025			
		Pacific Wealth Advisors, LLC	Global Cinnaminson II, LLC	Paramount Hotel, LLC	Total
Income	$	9,017,027	—	2,825,708	11,842,735
Costs and expenses		(9,595,491)	(40,819)	(4,059,395)	(13,695,705)
Other income		37,853,809	—	—	37,853,809
Net income (loss)	$	37,275,345	(40,819)	(1,233,687)	36,000,839
Trust's share of income (loss)	$	3,504,257 (a)	(4,437)	— (c)	3,499,820

		2024			
		Pacific Wealth Advisors, LLC	Global Cinnaminson II, LLC	Paramount Hotel, LLC	Total
Current assets	$	1,697,302	59,154	2,283,561	4,040,017
Other assets		9,730,781	668,616	8,044,330	18,443,727
Total assets	$	11,428,083	727,770	10,327,891	22,483,744
Current liabilities	$	703,423	14,736	468,483	1,186,642
Other liabilities		3,572,587	—	14,000,000	17,572,587
Equity		7,152,073	713,034	(4,140,592)	3,724,515
Total liabilities and equity	$	11,428,083	727,770	10,327,891	22,483,744
Trust's share of equity	$	496,098 (a)	94,649(b)	— (c)	590,747

		2024			
		Pacific Wealth Advisors, LLC	Global Cinnaminson II, LLC	Paramount Hotel, LLC	Total
Income	$	10,869,824	—	2,590,048	13,459,872
Costs and expenses		(10,210,373)	(84,583)	(4,181,908)	(14,476,864)
Net income (loss)	$	659,451	(84,583)	(1,591,860)	(1,016,992)
Trust's share of income (loss)	$	59,878 (d)	(9,194)	— (c)	50,684

(a) Prior to 2025, the Trust's share of equity differed from the calculated amount due to equity repurchase transactions. During the year ended December 31, 2025, Pacific Wealth Advisors, LLC (PWA) sold its business operations, recognized a gain on sale, and restructured its operating agreement. PWA distributed $4,000,355 to the Trust during 2025, leading the Trust to reduce its investment to zero, suspend the use of the equity method of accounting, and recognize the distribution in excess of its carrying amount as Equity in income and gain from affiliates. PWA is entitled to additional sales proceeds during 2026 and 2027 if the sold business achieves certain metrics. Other than receiving its share of contingent sales proceeds, if any, during 2026 and 2027, the Trust has no continuing interest in PWA.

(b) The Trust's share of equity differs from the calculated amount due to other investors' unfunded capital contributions.

(c) The Trust has a 20% interest in WCPB, LLC, a Washington limited liability company. WCPB, LLC has a 60% ownership interest (nonvoting) in 925 Park Avenue Associates, LLC which owns Paramount Hotel, LLC in Portland, Oregon. Because the Trust has no obligation to make any contribution to WCPB, LLC, it does not record its share of the investment losses.

(d) The Trust's share of income differs from the calculated amount due to timing of the receipt of information.

(4) Notes Receivable

Notes receivable consisted of the following as of December 31:

		2025	2024
Promissory notes from the Corporation issued pursuant to a Secured Term Loan Agreement dated November 30, 2023; bears interest at 11% per annum; monthly payments of $47,833, with final interest and principal due December 31, 2028	$	767,706	1,822,061
Matured obligations		—	921,872
		767,706	2,743,933
Less current installment		(515,483)	(1,317,310)
Notes receivable, less current installments	$	252,223	1,426,623

(5) Income Taxes

Income tax expense (benefit) consisted of the following federal taxes during the years ended December 31:

		2025	2024
Current	$	44,411	46,277
Deferred		(29,375)	(6,119)
	$	15,036	40,158

The statutory tax rate applied to Qualified Alaska Native Trusts is equal to the lowest individual rate, which is currently 0% on long term capital gains and qualifying dividends and 10% on interest income, ordinary dividends, and short term capital gains. A reconciliation of "expected" tax expense, calculated at the 10% statutory rate, to actual tax expense (benefit) is as follows:

		2025	2024
"Expected" tax expense	$	413,502	62,539
Qualified dividends and long-term capital gains taxed at lower rates		(366,494)	(9,926)
Nondeductible expenses		3,572	3,563
Deferred tax items expected to be taxed at lower rates		(35,580)	(17,522)
Change in valuation allowance		(6,132)	(2,666)
Other		6,168	4,170
Actual tax expense	$	15,036	40,158

The tax effect of temporary differences that gave rise to deferred tax assets and liabilities as of December 31 is as follows:

		2025	2024
Deferred tax assets:			
Passive activity loss carryforwards	$	237,878	223,407
Foreign tax credit carryforwards		30,354	36,486
Total gross deferred tax assets		268,232	259,893
Less valuation allowance		(30,354)	(36,486)
		237,878	223,407
Deferred tax liabilities:			
Investment in affiliates		(25,964)	(40,868)
Net deferred tax assets	$	211,914	182,539

A valuation allowance is provided when, in management's opinion, it is more likely than not that some portion of the deferred tax asset will not be realized. Management has established a valuation allowance against the balance of foreign tax credit carryforwards due to uncertainty about the ability to realize the benefit.

(6) Distributable Income

Distributions from the Trust to beneficiaries are tax free provided the Trust has current year taxable income (Tier I) or cumulative prior year(s) undistributed income (Tier II). As of January 1, 2026, the Trust has undistributed income defined as Tier II in the estimated amount of $4,654,189.

(7) Subsequent Events

The Trust has evaluated subsequent events from the balance sheet date through March 27, 2026, the date at which the financial statements were available to be issued.

NOK Benefits Trust 2025 Financial Statements

The Board of Trustees
NOK Benefits Trust:

Opinion

We have audited the financial statements of NOK Benefits Trust (the Trust), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, changes in beneficiaries' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

KPMG LLP

Anchorage, Alaska
March 27, 2026

Balance Sheets

Assets		2025	2024
Current assets:			
Cash and cash equivalents	$	1,222,835	148,366
Investment securities		25,644	23,381
Prepaid expenses		7,930	317
Total current assets	$	1,256,409	172,064
Liabilities and Beneficiaries' Equity			
Current liabilities:			
Due to related parties	$	218	982
Distributions payable		24,163	70,763
Income taxes payable		120,632	13,391
Total liabilities		145,013	85,136
Beneficiaries' equity:			
Contributed capital		1,345,954	296,991
Unallocated income		(234,558)	(210,063)
Total beneficiaries' equity		1,111,396	86,928
Total liabilities and beneficiaries' equity	$	1,256,409	172,064

Statement of Operations

		2025	2024
Investment income:			
Investment income	$	2,266	1,241
Interest income		109	262
Total investment income		2,375	1,503
Expenses:			
Investment management and custodian fees		(112)	(106)
General and administrative expenses		(29,610)	(41,730)
Total expenses		(29,722)	(41,836)
Loss before income taxes		(27,347)	(40,333)
Income tax expense		2,852	4,097
Net income	$	(24,495)	(36,236)

See accompanying notes to financial statements.

Statement of Change in Beneficiaries' Equity

		Contributed capital	Unallocated deficit	Total beneficiaries' equity
Balance at December 31, 2023	$	237,942	(173,827)	64,115
Contributions		716,583	—	716,583
Income tax on contributions		(71,658)	—	(71,658)
Distributions to beneficiaries		(585,876)	—	(585,876)
Net loss		—	(36,236)	(36,236)
Balance at December 31, 2024		296,991	(210,063)	86,928
Contributions		2,002,925	—	2,002,925
Income tax on contributions		(200,293)	—	(200,293)
Distributions to beneficiaries		(753,669)	—	(753,669)
Net loss		—	(24,495)	(24,495)
Balance at December 31, 2025	$	1,345,954	(234,558)	1,111,396

Statement of Cash Flows

		2025	2024
Cash flows from operating activities:			
Net loss	$	(24,495)	(36,236)
Adjustments to reconcile net loss to net cash used in operating activities:			
Net gains on investment securities		(867)	(473)
Changes in assets and liabilities that provided (used) cash:			
Prepaid expenses		(7,613)	—
Due from related party		(764)	772
Income taxes payable		—	9,281
Net cash provided by operating activities		(33,739)	(26,656)
Cash flows from investing activities:			
Purchases of investment securities		(1,396)	(924)
Net cash used in investing activities		(1,396)	(924)
Cash flows from financing activities			
Contributions		2,002,925	716,583
Taxes paid on contributions		(93,052)	(115,625)
Distributions to beneficiaries		(800,269)	(633,074)
Net cash (used in) provided by financing activities		1,109,604	(32,116)
Net (decrease) increase in cash and cash equivalents		1,074,469	(32,116)
Cash and cash equivalents, beginning of period		148,366	208,062
Cash and cash equivalents, end of year	$	1,222,835	148,366
Supplemental disclosure of cash activity:			
Cash paid for income taxes	$	90,200	102,248
Supplemental disclosures of noncash activity:			
Taxes payable on contributions	$	120,632	13,391
Dividends declared but not paid		5,821	9,627

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The NOK Benefits Trust (the Benefits Trust) was established June 22, 2018 and was approved by the shareholders of Natives of Kodiak, Incorporated (the Corporation) by vote on September 15, 2018. The Benefits Trust was established under the Settlement Trust provisions of the Alaska Native Claims Settlement Act, as amended.

The Benefits Trust was established to promote the health, education, and welfare of the Benefits Trust's beneficiaries and to preserve the heritage and culture of Alaska Natives and, among the means by which the purposes of the Benefits Trust is to be implemented, include the promotion of the long-term economic stability of the Benefit's Trust's beneficiaries through distributions and through the minimization of taxes. Under the terms of the Trust Agreement, the trustees will determine any distributions from the Benefits Trust.

The initial beneficiaries of the Benefits Trust were the holders of the settlement common stock of the Corporation, regardless of whether such common stock had voting rights or not, and each initial beneficiary owned a number of trust units equal to the number of shares of Corporation common stock owned by such initial beneficiary determined under the Trust Agreement, so that the total number of trust units outstanding equaled the total number of shares of Corporation common stock then outstanding. The Trust Agreement requires that trust units only be transferred at the same time and in the same manner as the corresponding share of the Corporation common stock, and if Corporation common stock is transferred, the corresponding trust unit is also deemed transferred. As a result, Benefit Trust unit ownership will always be identical to Corporation settlement common stock ownership. The Benefits Trust had 54,500 units outstanding since inception.

(b) Accounting Method

The accompanying financial statements are prepared on the accrual basis of accounting.

(c) Management Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

For purposes of cash flows, cash includes demand deposits held with a financial institution, in which deposits at times may exceed the balance insured by the Federal Deposit Insurance Corporation (FDIC) of $250,000. Cash equivalents, such as money market funds, intended to be invested as a part of the Benefits Trust's investment portfolio are included in investment securities.

(e) Investment Securities

The Benefits Trust funds are invested as directed by the trustees of the Benefits Trust, as set forth in the Trust Agreement.

Securities are measured at fair value and both unrealized holding gains and losses and realized investment gains and losses are recognized in net income. Gains and losses on sales of securities are computed using the specific-identification basis. Purchases and sales of securities are recorded on a trade-date basis. A professional custodian holds all of the Benefits Trust's investments.

(f) Contributions

Contributions from the Corporation are recorded in beneficiaries' equity when the contribution is declared by the Corporation's board of directors. Noncash contributions are recorded at carryover basis, that is, at the amount at which the Corporation had recorded the assets just prior to transfer. Income taxes on contributions are recognized as a component of beneficiaries' equity.

(g) Expenses and Related Party Transactions

Custodian and related professional expenses are deducted directly from the Benefits Trust. General and administrative fees are sometimes paid by the Corporation and then reimbursed by the Benefits Trust. The Corporation provides general and administrative services, such as accounting and beneficiary services to the Benefits Trust. Included in general and administrative expenses are fees charged by the Corporation of $5,519 and $7,284 for the years ended December 31, 2025 and 2024, respectively. The trustees are also members of the board of directors and shareholders of the Corporation and are beneficiaries of the Benefits Trust.

(h) Income Taxes

The Benefits Trust is a qualifying Alaska Native Settlement Trust under Internal Revenue Service regulations. Alaska Native Settlement Trusts do not deduct distributions to beneficiaries, and the beneficiaries are generally not subject to tax on their Alaska Native Settlement Trust distributions.

Contributions to the Benefits Trust are taxable as ordinary income if the Corporation elects to deduct such contributions. Income taxes on contributions are allocated directly to net assets. During the years ended December 31, 2025 and 2024, the Corporation elected to deduct (and the Benefits Trust has included as taxable income) all contributions.

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Benefits Trust recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Benefits Trust's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025 or 2024, the Benefits Trust had no unrecognized tax positions.

(2) Investment Securities

Investment securities are carried at fair value, which is determined using quoted prices in active markets for identical assets. This is considered a "Level 1" measurement under the fair value hierarchy. As of December 31, 2025 and 2024, the Benefits Trust's investment securities are as follows:

		2025	2024
Money market funds	$	2,275	1,408
Mutual funds:			
Equity		6,177	5,233
Debt		17,192	16,740
	$	25,644	23,381

(3) Income Taxes

Income tax benefit (expense) for the years ended December 31 was allocated as follows:

		2025	2024
Operations	$	2,852	4,097
Beneficiaries' equity		(200,293)	(71,658)
	$	(197,441)	(67,561)

The Benefits Trust is not subject to state income tax. Income taxes allocated to operations consisted entirely of current federal taxes.

The statutory tax rate applied to Qualified Alaska Native Trusts is equal to the lowest individual rate, which is currently 0% on long term capital gains and qualifying dividends and 10% on interest income, ordinary dividends, and short term capital gains. A reconciliation of "expected" tax benefit, calculated at the 10% statutory rate, to actual tax benefit is as follows:

		2025	2024
Computed "expected" tax benefit	$	2,735	4,033
Other		117	64
	$	2,852	4,097

As of December 31, 2025 and 2024, there were no temporary differences that gave rise to deferred taxes.

(4) Benefits

Distributions made to beneficiaries are recognized as a direct distribution of net assets. The following summarizes benefits paid by the Benefits Trust during the years and period ended December 31:

		2025	2024
General trust distributions to beneficiaries ($10 and $8 per unit for 2025 and 2024)	$	545,000	436,000
Elder distributions ($150 per quarter)		81,600	83,550
Death benefits		30,000	30,000
Scholarship payments		97,069	36,326
	$	753,669	585,876

(5) Subsequent Events

The Benefits Trust has evaluated subsequent events from the balance sheet date through March 27, 2026, the date at which the financial statements were available to be issued.