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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2022</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I                                                                                                   | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                           |
| For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u> |                                                                                                                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan <input checked="" type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                     |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                    |
| <b>E</b> If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ....   | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                |                     |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------|--|
| Part II                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Basic Plan Information</b> —enter all requested information |                     |  |
| <b>1a</b> Name of plan<br><u>PENNANT 401(K) RETIREMENT SAVINGS PLAN</u><br><br><b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>PENNANT SERVICES, INC.</u><br><br><u>1675 E. RIVERSIDE DRIVE, SUITE 200</u><br><u>EAGLE, ID 83616</u> | <b>1b</b> Three-digit plan number (PN) ▶                       | <u>001</u>          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c</b> Effective date of plan                               | <u>10/01/2020</u>   |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>2b</b> Employer Identification Number (EIN)                 | <u>83-3612637</u>   |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>2c</b> Plan Sponsor's telephone number                      | <u>208-506-6100</u> |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>2d</b> Business code (see instructions)                     | <u>621610</u>       |  |

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

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

|              |                                                   |            |                                                              |
|--------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| SIGN<br>HERE | Filed with authorized/valid electronic signature. | 10/16/2023 | LYNETTE WALBOM                                               |
|              | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| SIGN<br>HERE |                                                   |            |                                                              |
|              | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| SIGN<br>HERE |                                                   |            |                                                              |
|              | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)  
v. 220413

|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>3b</b> Administrator's EIN                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>3c</b> Administrator's telephone number                                                                      |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                               |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>5</b></span> <span>3857</span> </div>     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6a(1)</b></span> <span>3586</span> </div> |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6a(2)</b></span> <span>3979</span> </div> |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6b</b></span> <span>2</span> </div>       |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6c</b></span> <span>523</span> </div>     |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6d</b></span> <span>4504</span> </div>    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6e</b></span> <span>4</span> </div>       |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6f</b></span> <span>4508</span> </div>    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6g</b></span> <span>2966</span> </div>    |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>6h</b></span> <span>756</span> </div>     |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: space-between;"> <span><b>7</b></span> </div>                       |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2T 2A 3D                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                  |                                                                                                                 |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>0 A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |                                                                                                                 |

**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | OMB No. 1210-0110                       |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | 2022                                    |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | This Form is Open to Public Inspection. |

|                                                                                            |                                                      |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|
| For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022 |                                                      |
| A Name of plan<br>PENNANT 401(K) RETIREMENT SAVINGS PLAN                                   | B Three-digit plan number (PN) ▶ 001                 |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>PENNANT SERVICES, INC.           | D Employer Identification Number (EIN)<br>83-3612637 |

|        |                                                 |
|--------|-------------------------------------------------|
| Part I | Service Provider Information (see instructions) |
|--------|-------------------------------------------------|

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

|                                                                                                            |
|------------------------------------------------------------------------------------------------------------|
| (b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                                                         |
| 04-2647786                                                                                                 |

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

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

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

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

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 37 60 64 65            | RECORDKEEPER                                                                                      | 226934                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

INSTITUTIONAL INVESTMENT CONSULTIN

81-0635433

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16                     | CONSULTANT                                                                                        | 24000                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

MARCUM LLP

11-1986323

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 10                     | ACCOUNTANT                                                                                        | 12000                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

STRATEGIC ADVISORS, INC.

04-2654524

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27                     | ADVISOR                                                                                           | 7454                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

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

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

**Part I Service Provider Information (continued)**

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

| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                                        | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation                       | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| GUGHM TOT RTN BD IS - MUFG INVESTO 805 KING FARM BOULEVARD, SUITE 600 ROCKVILLE, MD 20850 | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                                           |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation                       | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                                           |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                                           |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation                       | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                                           |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

|                     |                                                                                                                                 |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Part III</b>     | <b>Termination Information on Accountants and Enrolled Actuaries (see instructions)</b><br>(complete as many entries as needed) |
| <b>a</b> Name:      | LTSP, INC.                                                                                                                      |
| <b>b</b> EIN:       | 95-3864890                                                                                                                      |
| <b>c</b> Position:  | AUDITOR                                                                                                                         |
| <b>d</b> Address:   | 4685 MACARTHUR COURT, SUITE 300<br>NEWPORT BEACH, CA 92660                                                                      |
| <b>e</b> Telephone: | 949-873-2420                                                                                                                    |

Explanation: PREDECESSOR AUDIT FIRM MERGED WITH CURRENT AUDIT FIRM

|                     |  |
|---------------------|--|
| <b>a</b> Name:      |  |
| <b>b</b> EIN:       |  |
| <b>c</b> Position:  |  |
| <b>d</b> Address:   |  |
| <b>e</b> Telephone: |  |

Explanation:

|                     |  |
|---------------------|--|
| <b>a</b> Name:      |  |
| <b>b</b> EIN:       |  |
| <b>c</b> Position:  |  |
| <b>d</b> Address:   |  |
| <b>e</b> Telephone: |  |

Explanation:

|                     |  |
|---------------------|--|
| <b>a</b> Name:      |  |
| <b>b</b> EIN:       |  |
| <b>c</b> Position:  |  |
| <b>d</b> Address:   |  |
| <b>e</b> Telephone: |  |

Explanation:

|                     |  |
|---------------------|--|
| <b>a</b> Name:      |  |
| <b>b</b> EIN:       |  |
| <b>c</b> Position:  |  |
| <b>d</b> Address:   |  |
| <b>e</b> Telephone: |  |

Explanation:

|                                                                                                                                                                                   |                                                                                                                                                                                                                                   |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE D<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration</div> | <div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection.</div> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|

|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022 |                                                      |     |
| A Name of plan<br>PENNANT 401(K) RETIREMENT SAVINGS PLAN                                   | B Three-digit plan number (PN) ►                     | 001 |
|                                                                                            |                                                      |     |
| C Plan or DFE sponsor's name as shown on line 2a of Form 5500<br>PENNANT SERVICES, INC.    | D Employer Identification Number (EIN)<br>83-3612637 |     |

|        |                                                                                                                                                                           |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)<br>(Complete as many entries as needed to report all interests in DFEs) |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                              |                 |                                                                                                     |
|------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------|
| a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 2                             |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY |                 |                                                                                                     |
| c EIN-PN 04-3022712-024                                                      | d Entity code C | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 789284 |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |
| a Name of MTIA, CCT, PSA, or 103-12 IE:                                      |                 |                                                                                                     |
| b Name of sponsor of entity listed in (a):                                   |                 |                                                                                                     |
| c EIN-PN                                                                     | d Entity code   | e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II** **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2022</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>PENNANT 401(K) RETIREMENT SAVINGS PLAN</u>                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <u>001</u>                                          |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>PENNANT SERVICES, INC.</u>                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><u>83-3612637</u>                        |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                 |                       |                 |
| Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 | (a) Beginning of Year | (b) End of Year |
| <b>a</b> Total noninterest-bearing cash.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1a</b>       | 0                     | 0               |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>    | 0                     | 0               |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(2)</b>    | 0                     | 0               |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>    | 75271                 | 314667          |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>    | 0                     | 0               |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> | 0                     | 0               |
| <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(B)</b> | 0                     | 0               |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> | 0                     | 0               |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b> | 0                     | 0               |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    | 0                     | 0               |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>    | 0                     | 0               |
| <b>(7)</b> Loans (other than to participants).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(7)</b>    | 0                     | 0               |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>    | 452049                | 567279          |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>    | 424125                | 789284          |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>   | 0                     | 0               |
| <b>(11)</b> Value of interest in master trust investment accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(11)</b>   | 0                     | 0               |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>   | 0                     | 0               |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   | 34679493              | 35314719        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   | 0                     | 0               |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   | 0                     | 0               |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 35630938              | 36985949        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 0 | 0 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 0 | 0 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 0 | 0 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 0 | 0 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 35630938 | 36985949 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 |         |          |
|------------------------------------------------------------------------------------------------------------|-----------------|---------|----------|
| <b>a Contributions:</b>                                                                                    |                 |         |          |
| (1) Received or receivable in cash from: <b>(A)</b> Employers.....                                         | <b>2a(1)(A)</b> | 617724  |          |
| <b>(B)</b> Participants.....                                                                               | <b>2a(1)(B)</b> | 8644358 |          |
| <b>(C)</b> Others (including rollovers).....                                                               | <b>2a(1)(C)</b> | 1750782 |          |
| (2) Noncash contributions.....                                                                             | <b>2a(2)</b>    | 0       | 11012864 |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |         |          |
| <b>b Earnings on investments:</b>                                                                          |                 |         |          |
| (1) Interest:                                                                                              |                 |         |          |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....        | <b>2b(1)(A)</b> | 3768    |          |
| <b>(B)</b> U.S. Government securities.....                                                                 | <b>2b(1)(B)</b> | 0       |          |
| <b>(C)</b> Corporate debt instruments.....                                                                 | <b>2b(1)(C)</b> | 0       |          |
| <b>(D)</b> Loans (other than to participants).....                                                         | <b>2b(1)(D)</b> | 0       |          |
| <b>(E)</b> Participant loans.....                                                                          | <b>2b(1)(E)</b> | 23127   |          |
| <b>(F)</b> Other.....                                                                                      | <b>2b(1)(F)</b> | 0       |          |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |         | 26895    |
| (2) Dividends: <b>(A)</b> Preferred stock.....                                                             | <b>2b(2)(A)</b> | 0       |          |
| <b>(B)</b> Common stock.....                                                                               | <b>2b(2)(B)</b> | 0       |          |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds).....                                   | <b>2b(2)(C)</b> | 1164917 |          |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |         | 1164917  |
| (3) Rents.....                                                                                             | <b>2b(3)</b>    |         | 0        |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds.....                                  | <b>2b(4)(A)</b> | 0       |          |
| <b>(B)</b> Aggregate carrying amount (see instructions).....                                               | <b>2b(4)(B)</b> | 0       |          |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result.....                   | <b>2b(4)(C)</b> |         |          |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate.....                          | <b>2b(5)(A)</b> | 0       |          |
| <b>(B)</b> Other.....                                                                                      | <b>2b(5)(B)</b> | 0       |          |
| <b>(C)</b> Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....      | <b>2b(5)(C)</b> |         |          |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            | -51888    |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            | 0         |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            | 0         |
| (9) Net investment gain (loss) from 103-12 investment entities.....                             | 2b(9)  |            | 0         |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            | -7542952  |
| c Other income .....                                                                            | 2c     |            | 0         |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 4609836   |
| <b>Expenses</b>                                                                                 |        |            |           |
| e Benefit payment and payments to provide benefits:                                             |        |            |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....                 | 2e(1)  | 2942710    |           |
| (2) To insurance carriers for the provision of benefits .....                                   | 2e(2)  | 0          |           |
| (3) Other .....                                                                                 | 2e(3)  | 0          |           |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                                   | 2e(4)  |            | 2942710   |
| f Corrective distributions (see instructions) .....                                             | 2f     |            | 30248     |
| g Certain deemed distributions of participant loans (see instructions) .....                    | 2g     |            | 11479     |
| h Interest expense .....                                                                        | 2h     |            | 0         |
| i Administrative expenses: (1) Professional fees .....                                          | 2i(1)  | 0          |           |
| (2) Contract administrator fees .....                                                           | 2i(2)  | 0          |           |
| (3) Investment advisory and management fees .....                                               | 2i(3)  | 7454       |           |
| (4) Other .....                                                                                 | 2i(4)  | 262934     |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                            | 2i(5)  |            | 270388    |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....            | 2j     |            | 3254825   |
| <b>Net Income and Reconciliation</b>                                                            |        |            |           |
| k Net income (loss). Subtract line 2j from line 2d .....                                        | 2k     |            | 1355011   |
| l Transfers of assets:                                                                          |        |            |           |
| (1) To this plan .....                                                                          | 2l(1)  |            | 0         |
| (2) From this plan .....                                                                        | 2l(2)  |            | 0         |

**Part III Accountant's Opinion**

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

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

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MARCUM LLP

(2) EIN: 11-1986323

**d** The opinion of an independent qualified public accountant is **not attached** because:

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

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |

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

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

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

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

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

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

|                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                            | <div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>PENNANT 401(K) RETIREMENT SAVINGS PLAN                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ► 001                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>PENNANT SERVICES, INC.                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>83-3612637                                            |
| Part I                                                                                                                                                                                                                                                                                                                                                     | Distributions                                                                                                                                                                                                                                                                                    |                                                                                                 |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | 1                                                                                               |
| 2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): 04-6568107                                                                                                       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  | 3                                                                                               |
| Part II                                                                                                                                                                                                                                                                                                                                                    | Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>If the plan is a defined benefit plan, go to line 8.                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                  | 6a                                                                                              |
| b Enter the amount contributed by the employer to the plan for this plan year.....                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  | 6b                                                                                              |
| c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  | 6c                                                                                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part III                                                                                                                                                                                                                                                                                                                                                   | Amendments                                                                                                                                                                                                                                                                                       |                                                                                                 |
| 9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> No          |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part IV                                                                                                                                                                                                                                                                                                                                                    | ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.                                                                                                                                                       |                                                                                                 |
| 10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2022 v. 220413                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

|           |                                                                                                                                                                                                                                                                                                                                 |            |  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:                                                                                                                      |            |  |
|           | <b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)..... | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                                           | <b>14c</b> |  |
| <b>15</b> | Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:                                                                                                                                                    |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year.....                                                                                                                                                                                                                            | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year.....                                                                                                                                                                                                                                                       | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                                                                                            |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                                                                                                        | <b>16a</b> |  |
|           | <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....                                                                                                                                                           | <b>16b</b> |  |
| <b>17</b> | If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... <input type="checkbox"/>                                                                            |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>18</b> | If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>19</b> | <p>If the total number of participants is 1,000 or more, complete lines (a) through (c)</p> <p><b>a</b> Enter the percentage of plan assets held as:<br/> Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%</p> <p><b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br/> <input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more</p> <p><b>c</b> What duration measure was used to calculate line 19(b)?<br/> <input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____</p>                                                                                                                                                                           |
| <b>20</b> | <p><b>PBGC missed contribution reporting requirements.</b> If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.</p> <p><b>a</b> Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>b</b> If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:</p> <p><input type="checkbox"/> Yes.</p> <p><input type="checkbox"/> No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.</p> <p><input type="checkbox"/> No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.</p> <p><input type="checkbox"/> No. Other. Provide explanation _____</p> |

**PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE**

**AS OF DECEMBER 31, 2022 AND 2021  
AND FOR THE YEAR ENDED DECEMBER 31, 2022**

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

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### **Supplementary Information**

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**MARCUM**  
ACCOUNTANTS ▲ ADVISORS  
**INDEPENDENT AUDITORS' REPORT**

To the Plan Administrator and Plan Participants of the  
**Pennant Services, Inc. 401(k) Retirement Savings Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements***

We have performed an audit of the financial statements of Pennant Services, Inc. 401(k) Retirement Savings Plan (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as permitted by ERISA Section 103(a)(3)(C) (“ERISA Section 103(a)(3)(C) audit”). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended and the related notes to the financial statements (“2022 Financial Statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s 2022 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from the qualified institution as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the 2022 financial statements, is complete and accurate.

***Opinion on the 2022 Financial Statements***

In our opinion, based on our audit and on the procedures performed as described in the Auditors’ Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the accompanying 2022 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the 2022 financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Basis for Opinion on the 2022 Financial Statements***

We conducted our audit 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 2022 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### ***Responsibilities of Management for the 2022 Financial Statements***

Management is responsible for the preparation and fair presentation of the 2022 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the 2022 financial statements.

In preparing the 2022 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for one year after the date that the 2022 financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan’s transactions that are presented and disclosed in the 2022 financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### ***Auditors’ Responsibilities for the Audit of the 2022 Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the 2022 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 2022 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 2022 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 2022 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the 2022 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the 2022 financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

### ***Other Matters***

#### ***2022 Supplemental Schedule Required by ERISA***

The supplemental schedule of Form 5500 Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the 2022 financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements.

The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 financial statements or to the 2022 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Auditors' Report on the 2021 Financial Statements***

The December 31, 2021, financial statements of the Plan were audited by LTSP, Inc. ("LTSP"), whose practice merged with Marcum LLP as of June 1, 2022. LTSP performed an audit of the December 31, 2021 financial statements of Pennant Services, Inc. 401(k) Retirement Savings Plan. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the December 31, 2021 audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated August 10, 2022 indicated that (a) the amounts and disclosures in the December 31, 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the December 31, 2021 financial statements held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). The report also indicated that the form and content of the December 31, 2021 supplemental schedule, other than the information in the December 31, 2021 supplemental schedule that agreed to or is derived

from the certified information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA; and the information in the December 31, 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

*Marcum LLP*

Costa Mesa, California

October 16, 2023

# PENNANT 401(k) RETIREMENT SAVINGS PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFIT

DECEMBER 31, 2022 AND 2021

|                                          | 2022                 | 2021                 |
|------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                            |                      |                      |
| <b>Investments, at Fair Value</b>        |                      |                      |
| Money market fund                        | \$ 314,667           | \$ 75,271            |
| Mutual funds                             | 35,314,719           | 34,679,493           |
| Common/collective trust fund             | <u>846,422</u>       | <u>420,384</u>       |
| <b>Total Investments, at Fair Value</b>  | <u>36,475,808</u>    | <u>35,175,148</u>    |
| <b>Receivables</b>                       |                      |                      |
| Participant contributions                | --                   | 4,626                |
| Employer contributions                   | --                   | 350                  |
| Notes receivable from participants       | <u>567,279</u>       | <u>452,049</u>       |
| <b>Total Receivables</b>                 | <u>567,279</u>       | <u>457,025</u>       |
| <b>Total Assets</b>                      | <u>37,043,087</u>    | <u>35,632,173</u>    |
| <b>Liability</b>                         |                      |                      |
| Excess contributions payable             | <u>--</u>            | <u>30,248</u>        |
| <b>Net Assets Available for Benefits</b> | <u>\$ 37,043,087</u> | <u>\$ 35,601,925</u> |

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

# PENNANT 401(k) RETIREMENT SAVINGS PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### Additions

#### Investment Income

|                              |              |  |
|------------------------------|--------------|--|
| Interest and dividend income | \$ 1,177,529 |  |
|------------------------------|--------------|--|

|                                |  |                     |
|--------------------------------|--|---------------------|
| <b>Total Investment Income</b> |  | <u>\$ 1,177,529</u> |
|--------------------------------|--|---------------------|

|                                                |               |  |
|------------------------------------------------|---------------|--|
| Interest on notes receivable from participants | <u>23,127</u> |  |
|------------------------------------------------|---------------|--|

### Contributions

|                       |                  |  |
|-----------------------|------------------|--|
| Participants          | 8,639,732        |  |
| Employer              | 617,374          |  |
| Participant rollovers | <u>1,750,782</u> |  |

|                            |  |                   |
|----------------------------|--|-------------------|
| <b>Total Contributions</b> |  | <u>11,007,888</u> |
|----------------------------|--|-------------------|

|                        |  |                   |
|------------------------|--|-------------------|
| <b>Total Additions</b> |  | <u>12,208,544</u> |
|------------------------|--|-------------------|

### Deductions

|                                               |                |  |
|-----------------------------------------------|----------------|--|
| Net depreciation in fair value of investments | 7,542,805      |  |
| Benefits paid to participants                 | 2,954,189      |  |
| Administrative expenses                       | <u>270,388</u> |  |

|                         |  |                   |
|-------------------------|--|-------------------|
| <b>Total Deductions</b> |  | <u>10,767,382</u> |
|-------------------------|--|-------------------|

|                                                          |  |           |
|----------------------------------------------------------|--|-----------|
| <b>Net Increase in Net Assets Available for Benefits</b> |  | 1,441,162 |
|----------------------------------------------------------|--|-----------|

|                                                    |  |                   |
|----------------------------------------------------|--|-------------------|
| <b>Net assets Available for Benefits-Beginning</b> |  | <u>35,601,925</u> |
|----------------------------------------------------|--|-------------------|

|                                                  |  |                             |
|--------------------------------------------------|--|-----------------------------|
| <b>Net Assets Available for Benefits, Ending</b> |  | <u><u>\$ 37,043,087</u></u> |
|--------------------------------------------------|--|-----------------------------|

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

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 1 - DESCRIPTION OF THE PLAN**

The following description of the Pennant 401(k) Retirement Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a complete description of the Plan’s provisions.

#### ***GENERAL***

The Plan was established on October 1, 2020. The Plan is a multiple employer defined contribution plan adopted by Pennant Services, Inc. as the Plan Sponsor and other participating Employers (collectively the “Company” or “Employer”) covering all employees of the Company except for specified groups of employees as defined by the Plan document. Employees become eligible for participation in the Plan after reaching 18 years of age and achieving the service requirement of three months. The Plan includes a deferred compensation arrangement as described in Section 401(k) of the Internal Revenue Code (“IRC”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

#### ***CONTRIBUTIONS***

The Company’s eligible participants may contribute from 1% up to 90% of their compensation, subject to the limitations as defined by the IRC, each year on a pre-tax basis by salary reduction. The Plan also allows eligible employees to make contributions on a post-tax, Roth contribution. Unless another election is made, eligible participants are automatically enrolled in the Plan with a 2% deferral election. For participants hired or rehired prior to July 1, 2021, eligible participants are automatically enrolled in the Plan with a 0% deferral election. Participants may also rollover amounts representing distributions from other qualified retirement plans. Employer contributions consist of a 25% matching contribution not to exceed the first 2% of participants’ eligible compensation. The Company may also make additional qualified non-elective contributions and allocate them to non-highly compensated employees to help the Plan pass one or more annually required IRC nondiscrimination tests.

Participants direct the investment of their contributions into various investment options offered by the Plan.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

#### *PARTICIPANT ACCOUNTS*

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings less an allocation of investment and operating expenses charged to the Plan. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### *VESTING*

Participants are immediately 100% vested in their contributions, rollover contributions, earnings on their contributions, and prior Company matching contributions. Participants become fully vested in the Company contributions after three years of service, attainment of age 65, or in the event of death or permanent disability. Participants shall become vested in their Company matching contributions and earnings on Company matching contributions as follows:

| <b>Year of Service<br/>For Vesting</b> | <b>Percent<br/>Vested</b> |
|----------------------------------------|---------------------------|
| Less than 1 year                       | 0%                        |
| 1 year                                 | 25%                       |
| 2 years                                | 50%                       |
| 3 years                                | 75%                       |
| 4 years                                | 100%                      |

#### *PAYMENT OF BENEFITS*

Retired or terminated participants receive the vested portion of their Company contributions and earnings on their Company contributions and 100% of their pre-tax contributions and earnings on their contributions in a lump sum payment as soon as administratively possible following participants' requests for distribution. A participant's total vested interest between \$1,000 and \$5,000 will be automatically rolled over to an individual retirement account ("IRA") designated by the Company, if the participant does not consent to a cash distribution and has not elected to have the balance rolled over into an IRA of their choosing.

A participant's total vested benefit of less than \$1,000 is subject to an involuntary cash-out distribution even if the participant does not consent to a distribution.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

#### ***PAYMENT OF BENEFITS (CONTINUED)***

Subject to certain restrictions, in-service withdrawals from a participant's account may be permitted to participants who are over the age of 59 ½ or if the participant qualifies for a financial hardship, as described in the Plan document, for which funds are not reasonably available from other resources of the participant.

#### ***NOTES RECEIVABLE FROM PARTICIPANTS***

The Plan allows participants to borrow against their vested balances. Loans are not to be made for less than \$1,000 and up to a maximum of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and must be repaid at a fixed interest rate which is commensurate with local prevailing rates as determined by the Plan. Generally, loans must be repaid within five years, unless the loan was for the purchase of a principal residence. In this case, the repayment period may be extended. Principal and interest is paid ratably through payroll deductions for active employees. Delinquent or defaulted notes receivables from participants are written off as "deemed" distributions at the end of the quarter following the quarter in which the default occurs. The Plan classifies participant loans as notes receivable from participants in the statements of net assets available for benefits and measures them at their unpaid principal balance plus any accrued interest.

#### ***FORFEITURES***

Forfeitures are created when participants terminate employment before becoming entitled to their full benefits under the Plan. The forfeited amounts may be used to reduce Company contributions or to pay certain operating expenses of the Plan. During the year ended December 31, 2022, approximately \$38,551 of forfeitures were used to pay administrative fees. As of December 31, 2022 and 2021, there were approximately \$16,012 and \$10,100, respectively, of unallocated forfeitures available to be used.

#### ***ADMINISTRATIVE EXPENSES***

The Company provides or pays for certain accounting, legal, administrative and management services without charge to the Plan. Fees related to the administration of notes receivable from participants, and certain fees relating to distributions are charged directly to participants' accounts and are included in administrative fees. Certain record keeping fees are paid by the Plan and included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***BASIS OF ACCOUNTING***

The accompanying financial statements for the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Except for unutilized forfeitures (Note 1), the Plan's assets are entirely allocated to individual participants' accounts.

#### ***USE OF ESTIMATES***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Plan to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

#### ***INVESTMENT VALUATION AND REVENUE RECOGNITION***

All investments are carried at fair value or an approximation of fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is accrued as earned.

#### ***CONTRIBUTION FUNDING***

The participant deferrals and Employer matching contributions, if any, are funded on a consistent basis following the issuance of each Company payroll.

#### ***NON-DISTRIBUTED BENEFITS***

The Plan does not accrue non-distributed benefits related to participants who have withdrawn from the Plan, but recognizes such benefits as a deduction from net assets in the period in which such benefits are paid.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 3 - INFORMATION CERTIFIED BY THE TRUSTEE**

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company, the trustee of the Plan. This information has not been audited by the Plan's independent auditors.

### **NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair value measurements are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**Level 2** – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

*Mutual funds and money market fund:* These investments are valued at the closing quoted market price reported on the active market on which the public investment securities are traded.

*Common/collective trust fund:* This investment is valued using Net Asset Value ("NAV") as a practical expedient based on contract value, which represents invested principal plus accrued interest, less expenses thereon. In determining contract value, the fund manager considers such factors as the benefit responsiveness of the contracts, the ability of the parties to the contracts to perform in accordance with the terms of the contracts and the likelihood of default by the issuer of an investment security. While fair value of the investments in the common/collective trust fund is determined by the investee's trustee based on the fair value of the underlying securities within the investment at the fund level, the fair value of the investment as reported by the investment custodian at the Plan level is based on NAV as the practical expedient which is at contract value. Contract value is the relevant fair value for such an investment as that is the value that participant's transactions are reported.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the Plan's financial instruments carried at fair value categorized by the fair value hierarchy as of December 31, 2022 and 2021:

| <u>December 31, 2022</u>                                     | <u>Fair Value Measurements<br/>Using Input Type</u> |                |                |                     |
|--------------------------------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------|
|                                                              | <u>Level 1</u>                                      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Mutual funds                                                 | \$35,314,719                                        | \$ --          | \$ --          | \$35,314,719        |
| Money market fund                                            | <u>314,667</u>                                      | <u>--</u>      | <u>--</u>      | <u>314,667</u>      |
| Total investments categorized<br>in the fair value hierarchy | <u>\$35,629,386</u>                                 | <u>\$ --</u>   | <u>\$ --</u>   | 35,629,386          |
| Common/collective trust fund measured at NAV*                |                                                     |                |                | <u>846,422</u>      |
| <b>Total Investments, At Fair Value</b>                      |                                                     |                |                | <u>\$36,475,808</u> |

  

| <u>December 31, 2021</u>                                     | <u>Fair Value Measurements<br/>Using Input Type</u> |                |                |                     |
|--------------------------------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------|
|                                                              | <u>Level 1</u>                                      | <u>Level 2</u> | <u>Level 3</u> | <u>Level 1</u>      |
| Mutual funds                                                 | \$34,679,493                                        | \$ --          | --             | \$34,679,493        |
| Money market fund                                            | <u>75,271</u>                                       | <u>--</u>      | <u>--</u>      | <u>75,271</u>       |
| Total investments categorized in<br>the fair value hierarchy | <u>\$34,754,764</u>                                 | <u>\$ --</u>   | <u>\$ --</u>   | 34,754,764          |
| Common/collective trust fund<br>measured at NAV*             |                                                     |                |                | <u>420,384</u>      |
| <b>Total Investments, At Fair Value</b>                      |                                                     |                |                | <u>\$35,175,148</u> |

*\*Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the Statements of Net Assets Available for Benefits.*

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following presents additional information relative to Plan investments reported on net asset value at December 31, 2022 and 2021.

The common/collective trust fund offered in the Plan is subject to a daily redemption frequency restriction. The only other redemption restriction is that direct exchanges from the fund to "competing" funds (e.g., money market funds, short term bond funds, certain asset allocation/lifecycle funds and brokerage window) are prohibited and instead, the participant must first exchange to a non-competing fund for 90 days. There are no redemption notice requirements or unfunded commitments as of December 31, 2022 and 2021.

### **NOTE 5 - PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

### **NOTE 6 - TAX STATUS**

The Plan has adopted a pre-approved profit sharing plan which received an advisory letter dated June 30, 2020 from the Internal Revenue Service ("IRS") stating that the Plan, as then designed, followed the applicable requirements of the IRC. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision was made for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's tax returns generally remain open for Federal tax audits for three years from the filing date.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 7 - RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

### **NOTE 8 - PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of mutual funds, a money market fund, and units of participation in a common/collective trust managed by Fidelity Investments and its affiliates. Fidelity Management Trust Company, the trustee of the Plan, is a wholly owned subsidiary of Fidelity Investments.

Fees incurred by the Plan for investment management services are included in net appreciation (depreciation) in fair value of investments. These fees are paid to the investment fund manager and may include certain revenue sharing fees that are paid to Fidelity Investments or related entities, other investment custodians and investment advisors. Additionally, as noted in Note 1, certain administrative expenses related to participant-initiated transactions are paid directly to Fidelity Management Trust Company.

The Plan also allows for the issuance of notes receivable to participants in accordance with the related regulations.

These transactions qualify as party-in-interest transactions for which there are statutory exemptions.

### **NOTE 9 - EXCESS CONTRIBUTIONS**

Contributions received from participants for the plan year ended December 31, 2021 include \$30,248 of excess contributions (net of corresponding gains and losses) that were distributed in March 2022, respectively, to certain active participants. The excess deferral contributions, originally contributed in the year ended December 31, 2021 were returned to comply with the participants' applicable maximum annual contributions permitted under the IRC. The amount is included in the Plan's statements of net assets available for benefits as excess contributions payable at December 31, 2021.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

Due to reporting differences, the financial statements as of December 31, 2022 and 2021 and for the year ended December 31, 2022 reflect a difference in net assets available for benefits and a difference in the changes in net assets available for benefits as compared to the Form 5500.

The following is a reconciliation of net assets available for benefits from the financial statements to the Form 5500:

|                                                                                   | <u>December 31,</u>        |                            |
|-----------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                   | <u>2022</u>                | <u>2021</u>                |
| Net assets available for benefits per the financial statements                    | \$37,043,087               | \$35,601,925               |
| Employee contributions receivable                                                 |                            | (4,626)                    |
| Employer contributions receivable                                                 |                            | (350)                      |
| Employer contributions receivable                                                 |                            | 30,248                     |
| Adjustment from contract value to fair value for the common/collective trust fund | <u>(57,138)</u>            | <u>3,741</u>               |
| <b>Net Assets Available For Benefits Per The Form 5500</b>                        | <b><u>\$36,985,949</u></b> | <b><u>\$35,630,938</u></b> |

The following is a reconciliation of net increase in net assets available for benefits from the financial statements to the Form 5500:

|                                                                                   | <u>Year Ended<br/>2022</u> |
|-----------------------------------------------------------------------------------|----------------------------|
| Net increase in net assets available for benefits per the financial statements    | \$1,441,162                |
| Employee contributions receivable                                                 | 4,626                      |
| Employer contributions receivable                                                 | 350                        |
| Excess contributions payable                                                      | (30,248)                   |
| Adjustment from contract value to fair value for the common/collective trust fund | <u>(60,879)</u>            |
| <b>Net Increase in Net Assets Available For Benefits Per The Form 5500</b>        | <b><u>\$1,355,011</u></b>  |

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2022**

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#### **NOTE 11 - SUBSEQUENT EVENTS**

The Plan has evaluated all subsequent events through October 16, 2023, the date the financial statements were available to be issued. Except as noted below, there were no other events identified requiring recognition or disclosure in the financial statements.

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

## **SUPPLEMENTAL SCHEDULE**

# PENNANT 401(k) RETIREMENT SAVINGS PLAN

## SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 83-3612637

PN: 001

DECEMBER 31, 2022

| (a)                                                     | (b)                                                                                                             | (c)  | (d)           | (e)           |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------|---------------|---------------|
| Identity of Issue, Borrower, Lessor or<br>Similar Party | Description of Investment<br>Including Maturity Date, Rate of<br>Interest, Collateral, Par or Maturity<br>Value | Cost | Current Value |               |
| <b><u>Mutual Funds</u></b>                              |                                                                                                                 |      |               |               |
| PIMCO                                                   | PIMCO INCOME INST                                                                                               | **   |               | \$319,906.00  |
| Columbia                                                | COL OVERSEAS VAL I3                                                                                             | **   |               | 184,918       |
| Vanguard                                                | VANG VALUE IDX ADM                                                                                              | **   |               | 1,051,068     |
| Vanguard                                                | VANG INTL GROWTH ADM                                                                                            | **   |               | 594,389       |
| Vanguard                                                | VANG SM CAP IDX ADM                                                                                             | **   |               | 368,099       |
| Vanguard                                                | VANG MDCPGR IDX ADM                                                                                             | **   |               | 462,572       |
| Guggenheim                                              | GUGHM TOT RTN BD IS                                                                                             | **   |               | 607,386       |
| Vanguard                                                | VANG SMCP GR IDX ADM                                                                                            | **   |               | 246,659       |
| Vanguard                                                | VANG SMCPVL IDX ADM                                                                                             | **   |               | 448,086       |
| Vanguard                                                | VANG MDCPVAL IDX ADM                                                                                            | **   |               | 25,558        |
| Vanguard                                                | VANG TARGET RET 2020                                                                                            | **   |               | 1,157,728     |
| Vanguard                                                | VANG TARGET RET 2030                                                                                            | **   |               | 4,043,210     |
| Vanguard                                                | VANG TARGET RET 2040                                                                                            | **   |               | 3,784,563     |
| Vanguard                                                | VANG TARGET RET 2050                                                                                            | **   |               | 2,003,851     |
| Vanguard                                                | VANG TARGET RET 2070                                                                                            | **   |               | 7,015         |
| Vanguard                                                | VANG TARGET RET 2025                                                                                            | **   |               | 2,720,346     |
| Vanguard                                                | VANG TARGET RET 2035                                                                                            | **   |               | 3,287,845     |
| Vanguard                                                | VANG TARGET RET 2045                                                                                            | **   |               | 4,593,835     |
| Vanguard                                                | VANG TARGET RET 2055                                                                                            | **   |               | 2,567,488     |
| Vanguard                                                | VANG TARGET RET 2060                                                                                            | **   |               | 1,046,160     |
| Vanguard                                                | VANG TARGET RET 2065                                                                                            | **   |               | 284,164       |
| Vanguard                                                | VANG TARGET RET INC                                                                                             | **   |               | 376,732       |
| * Fidelity                                              | FID 500 INDEX                                                                                                   | **   |               | 2,095,910     |
| * Fidelity                                              | FID GLB EX US IDX                                                                                               | **   |               | 193,167       |
| * Fidelity                                              | FID MID CAP IDX                                                                                                 | **   |               | 830,365       |
| * Fidelity                                              | FID LG CAP GR IDX                                                                                               | **   |               | 2,013,699     |
|                                                         |                                                                                                                 |      |               | 35,314,719    |
| <b><u>Common/Collective Trust Fund</u></b>              |                                                                                                                 |      |               |               |
| * Fidelity                                              | Fidelity Managed Income Portfolio                                                                               |      |               | 846,422       |
| <b><u>Money Market Fund</u></b>                         |                                                                                                                 |      |               |               |
| * Fidelity                                              | FID GOVT MMKT K6                                                                                                |      |               | 314,667       |
|                                                         |                                                                                                                 |      |               | \$ 36,475,808 |
| * <b><u>Participant Notes Receivable</u></b>            | Interest rates ranging from 4.25% - 6.50% maturing<br>through November 2028                                     |      |               | \$ 567,279    |

\* Party-in-interest

\*\* Historical cost information is not required for participant directed investments

*See independent auditors' report.*

**PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE**

**AS OF DECEMBER 31, 2022 AND 2021  
AND FOR THE YEAR ENDED DECEMBER 31, 2022**

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

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**MARCUM**  
ACCOUNTANTS ▲ ADVISORS  
**INDEPENDENT AUDITORS' REPORT**

To the Plan Administrator and Plan Participants of the  
**Pennant Services, Inc. 401(k) Retirement Savings Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements***

We have performed an audit of the financial statements of Pennant Services, Inc. 401(k) Retirement Savings Plan (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as permitted by ERISA Section 103(a)(3)(C) (“ERISA Section 103(a)(3)(C) audit”). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended and the related notes to the financial statements (“2022 Financial Statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s 2022 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from the qualified institution as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the 2022 financial statements, is complete and accurate.

***Opinion on the 2022 Financial Statements***

In our opinion, based on our audit and on the procedures performed as described in the Auditors’ Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the accompanying 2022 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the 2022 financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Basis for Opinion on the 2022 Financial Statements***

We conducted our audit 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 2022 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### ***Responsibilities of Management for the 2022 Financial Statements***

Management is responsible for the preparation and fair presentation of the 2022 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the 2022 financial statements.

In preparing the 2022 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for one year after the date that the 2022 financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan’s transactions that are presented and disclosed in the 2022 financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### ***Auditors’ Responsibilities for the Audit of the 2022 Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the 2022 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 2022 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 2022 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 2022 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the 2022 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the 2022 financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

### ***Other Matters***

#### ***2022 Supplemental Schedule Required by ERISA***

The supplemental schedule of Form 5500 Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the 2022 financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements.

The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 financial statements or to the 2022 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Auditors' Report on the 2021 Financial Statements***

The December 31, 2021, financial statements of the Plan were audited by LTSP, Inc. ("LTSP"), whose practice merged with Marcum LLP as of June 1, 2022. LTSP performed an audit of the December 31, 2021 financial statements of Pennant Services, Inc. 401(k) Retirement Savings Plan. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the December 31, 2021 audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated August 10, 2022 indicated that (a) the amounts and disclosures in the December 31, 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the December 31, 2021 financial statements held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). The report also indicated that the form and content of the December 31, 2021 supplemental schedule, other than the information in the December 31, 2021 supplemental schedule that agreed to or is derived

from the certified information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA; and the information in the December 31, 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

*Marcum LLP*

Costa Mesa, California  
October 16, 2023

# **PENNANT 401(k) RETIREMENT SAVINGS PLAN**

## **STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFIT**

**DECEMBER 31, 2022 AND 2021**

|                                          | <u>2022</u>          | <u>2021</u>          |
|------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                            |                      |                      |
| <b>Investments, at Fair Value</b>        |                      |                      |
| Money market fund                        | \$ 314,667           | \$ 75,271            |
| Mutual funds                             | 35,314,719           | 34,679,493           |
| Common/collective trust fund             | <u>846,422</u>       | <u>420,384</u>       |
| <b>Total Investments, at Fair Value</b>  | <u>36,475,808</u>    | <u>35,175,148</u>    |
| <b>Receivables</b>                       |                      |                      |
| Participant contributions                | --                   | 4,626                |
| Employer contributions                   | --                   | 350                  |
| Notes receivable from participants       | <u>567,279</u>       | <u>452,049</u>       |
| <b>Total Receivables</b>                 | <u>567,279</u>       | <u>457,025</u>       |
| <b>Total Assets</b>                      | <u>37,043,087</u>    | <u>35,632,173</u>    |
| <b>Liability</b>                         |                      |                      |
| Excess contributions payable             | <u>--</u>            | <u>30,248</u>        |
| <b>Net Assets Available for Benefits</b> | <u>\$ 37,043,087</u> | <u>\$ 35,601,925</u> |

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

# PENNANT 401(k) RETIREMENT SAVINGS PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### Additions

#### Investment Income

|                              |              |  |
|------------------------------|--------------|--|
| Interest and dividend income | \$ 1,177,529 |  |
|------------------------------|--------------|--|

|                                |  |                     |
|--------------------------------|--|---------------------|
| <b>Total Investment Income</b> |  | <u>\$ 1,177,529</u> |
|--------------------------------|--|---------------------|

|                                                |               |  |
|------------------------------------------------|---------------|--|
| Interest on notes receivable from participants | <u>23,127</u> |  |
|------------------------------------------------|---------------|--|

### Contributions

|                       |                  |  |
|-----------------------|------------------|--|
| Participants          | 8,639,732        |  |
| Employer              | 617,374          |  |
| Participant rollovers | <u>1,750,782</u> |  |

|                            |  |                   |
|----------------------------|--|-------------------|
| <b>Total Contributions</b> |  | <u>11,007,888</u> |
|----------------------------|--|-------------------|

|                        |  |                   |
|------------------------|--|-------------------|
| <b>Total Additions</b> |  | <u>12,208,544</u> |
|------------------------|--|-------------------|

### Deductions

|                                               |                |  |
|-----------------------------------------------|----------------|--|
| Net depreciation in fair value of investments | 7,542,805      |  |
| Benefits paid to participants                 | 2,954,189      |  |
| Administrative expenses                       | <u>270,388</u> |  |

|                         |  |                   |
|-------------------------|--|-------------------|
| <b>Total Deductions</b> |  | <u>10,767,382</u> |
|-------------------------|--|-------------------|

|                                                          |  |           |
|----------------------------------------------------------|--|-----------|
| <b>Net Increase in Net Assets Available for Benefits</b> |  | 1,441,162 |
|----------------------------------------------------------|--|-----------|

|                                                    |  |                   |
|----------------------------------------------------|--|-------------------|
| <b>Net assets Available for Benefits-Beginning</b> |  | <u>35,601,925</u> |
|----------------------------------------------------|--|-------------------|

|                                                  |  |                             |
|--------------------------------------------------|--|-----------------------------|
| <b>Net Assets Available for Benefits, Ending</b> |  | <u><u>\$ 37,043,087</u></u> |
|--------------------------------------------------|--|-----------------------------|

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

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 1 - DESCRIPTION OF THE PLAN**

The following description of the Pennant 401(k) Retirement Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a complete description of the Plan’s provisions.

#### ***GENERAL***

The Plan was established on October 1, 2020. The Plan is a multiple employer defined contribution plan adopted by Pennant Services, Inc. as the Plan Sponsor and other participating Employers (collectively the “Company” or “Employer”) covering all employees of the Company except for specified groups of employees as defined by the Plan document. Employees become eligible for participation in the Plan after reaching 18 years of age and achieving the service requirement of three months. The Plan includes a deferred compensation arrangement as described in Section 401(k) of the Internal Revenue Code (“IRC”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

#### ***CONTRIBUTIONS***

The Company’s eligible participants may contribute from 1% up to 90% of their compensation, subject to the limitations as defined by the IRC, each year on a pre-tax basis by salary reduction. The Plan also allows eligible employees to make contributions on a post-tax, Roth contribution. Unless another election is made, eligible participants are automatically enrolled in the Plan with a 2% deferral election. For participants hired or rehired prior to July 1, 2021, eligible participants are automatically enrolled in the Plan with a 0% deferral election. Participants may also rollover amounts representing distributions from other qualified retirement plans. Employer contributions consist of a 25% matching contribution not to exceed the first 2% of participants’ eligible compensation. The Company may also make additional qualified non-elective contributions and allocate them to non-highly compensated employees to help the Plan pass one or more annually required IRC nondiscrimination tests.

Participants direct the investment of their contributions into various investment options offered by the Plan.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

#### *PARTICIPANT ACCOUNTS*

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings less an allocation of investment and operating expenses charged to the Plan. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### *VESTING*

Participants are immediately 100% vested in their contributions, rollover contributions, earnings on their contributions, and prior Company matching contributions. Participants become fully vested in the Company contributions after three years of service, attainment of age 65, or in the event of death or permanent disability. Participants shall become vested in their Company matching contributions and earnings on Company matching contributions as follows:

| <b>Year of Service<br/>For Vesting</b> | <b>Percent<br/>Vested</b> |
|----------------------------------------|---------------------------|
| Less than 1 year                       | 0%                        |
| 1 year                                 | 25%                       |
| 2 years                                | 50%                       |
| 3 years                                | 75%                       |
| 4 years                                | 100%                      |

#### *PAYMENT OF BENEFITS*

Retired or terminated participants receive the vested portion of their Company contributions and earnings on their Company contributions and 100% of their pre-tax contributions and earnings on their contributions in a lump sum payment as soon as administratively possible following participants' requests for distribution. A participant's total vested interest between \$1,000 and \$5,000 will be automatically rolled over to an individual retirement account ("IRA") designated by the Company, if the participant does not consent to a cash distribution and has not elected to have the balance rolled over into an IRA of their choosing.

A participant's total vested benefit of less than \$1,000 is subject to an involuntary cash-out distribution even if the participant does not consent to a distribution.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

---

### **NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

#### ***PAYMENT OF BENEFITS (CONTINUED)***

Subject to certain restrictions, in-service withdrawals from a participant's account may be permitted to participants who are over the age of 59 ½ or if the participant qualifies for a financial hardship, as described in the Plan document, for which funds are not reasonably available from other resources of the participant.

#### ***NOTES RECEIVABLE FROM PARTICIPANTS***

The Plan allows participants to borrow against their vested balances. Loans are not to be made for less than \$1,000 and up to a maximum of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and must be repaid at a fixed interest rate which is commensurate with local prevailing rates as determined by the Plan. Generally, loans must be repaid within five years, unless the loan was for the purchase of a principal residence. In this case, the repayment period may be extended. Principal and interest is paid ratably through payroll deductions for active employees. Delinquent or defaulted notes receivables from participants are written off as "deemed" distributions at the end of the quarter following the quarter in which the default occurs. The Plan classifies participant loans as notes receivable from participants in the statements of net assets available for benefits and measures them at their unpaid principal balance plus any accrued interest.

#### ***FORFEITURES***

Forfeitures are created when participants terminate employment before becoming entitled to their full benefits under the Plan. The forfeited amounts may be used to reduce Company contributions or to pay certain operating expenses of the Plan. During the year ended December 31, 2022, approximately \$38,551 of forfeitures were used to pay administrative fees. As of December 31, 2022 and 2021, there were approximately \$16,012 and \$10,100, respectively, of unallocated forfeitures available to be used.

#### ***ADMINISTRATIVE EXPENSES***

The Company provides or pays for certain accounting, legal, administrative and management services without charge to the Plan. Fees related to the administration of notes receivable from participants, and certain fees relating to distributions are charged directly to participants' accounts and are included in administrative fees. Certain record keeping fees are paid by the Plan and included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***BASIS OF ACCOUNTING***

The accompanying financial statements for the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Except for unutilized forfeitures (Note 1), the Plan's assets are entirely allocated to individual participants' accounts.

#### ***USE OF ESTIMATES***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Plan to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

#### ***INVESTMENT VALUATION AND REVENUE RECOGNITION***

All investments are carried at fair value or an approximation of fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is accrued as earned.

#### ***CONTRIBUTION FUNDING***

The participant deferrals and Employer matching contributions, if any, are funded on a consistent basis following the issuance of each Company payroll.

#### ***NON-DISTRIBUTED BENEFITS***

The Plan does not accrue non-distributed benefits related to participants who have withdrawn from the Plan, but recognizes such benefits as a deduction from net assets in the period in which such benefits are paid.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 3 - INFORMATION CERTIFIED BY THE TRUSTEE**

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company, the trustee of the Plan. This information has not been audited by the Plan's independent auditors.

### **NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair value measurements are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**Level 2** – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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### NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

*Mutual funds and money market fund:* These investments are valued at the closing quoted market price reported on the active market on which the public investment securities are traded.

*Common/collective trust fund:* This investment is valued using Net Asset Value ("NAV") as a practical expedient based on contract value, which represents invested principal plus accrued interest, less expenses thereon. In determining contract value, the fund manager considers such factors as the benefit responsiveness of the contracts, the ability of the parties to the contracts to perform in accordance with the terms of the contracts and the likelihood of default by the issuer of an investment security. While fair value of the investments in the common/collective trust fund is determined by the investee's trustee based on the fair value of the underlying securities within the investment at the fund level, the fair value of the investment as reported by the investment custodian at the Plan level is based on NAV as the practical expedient which is at contract value. Contract value is the relevant fair value for such an investment as that is the value that participant's transactions are reported.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the Plan's financial instruments carried at fair value categorized by the fair value hierarchy as of December 31, 2022 and 2021:

| <u>December 31, 2022</u>                                     | <u>Fair Value Measurements<br/>Using Input Type</u> |                |                |                     |
|--------------------------------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------|
|                                                              | <u>Level 1</u>                                      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Mutual funds                                                 | \$35,314,719                                        | \$ --          | \$ --          | \$35,314,719        |
| Money market fund                                            | <u>314,667</u>                                      | <u>--</u>      | <u>--</u>      | <u>314,667</u>      |
| Total investments categorized<br>in the fair value hierarchy | <u>\$35,629,386</u>                                 | <u>\$ --</u>   | <u>\$ --</u>   | 35,629,386          |
| Common/collective trust fund measured at NAV*                |                                                     |                |                | <u>846,422</u>      |
| <b>Total Investments, At Fair Value</b>                      |                                                     |                |                | <u>\$36,475,808</u> |

  

| <u>December 31, 2021</u>                                     | <u>Fair Value Measurements<br/>Using Input Type</u> |                |                |                     |
|--------------------------------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------|
|                                                              | <u>Level 1</u>                                      | <u>Level 2</u> | <u>Level 3</u> | <u>Level 1</u>      |
| Mutual funds                                                 | \$34,679,493                                        | \$ --          | --             | \$34,679,493        |
| Money market fund                                            | <u>75,271</u>                                       | <u>--</u>      | <u>--</u>      | <u>75,271</u>       |
| Total investments categorized in<br>the fair value hierarchy | <u>\$34,754,764</u>                                 | <u>\$ --</u>   | <u>\$ --</u>   | 34,754,764          |
| Common/collective trust fund<br>measured at NAV*             |                                                     |                |                | <u>420,384</u>      |
| <b>Total Investments, At Fair Value</b>                      |                                                     |                |                | <u>\$35,175,148</u> |

*\*Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the Statements of Net Assets Available for Benefits.*

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following presents additional information relative to Plan investments reported on net asset value at December 31, 2022 and 2021.

The common/collective trust fund offered in the Plan is subject to a daily redemption frequency restriction. The only other redemption restriction is that direct exchanges from the fund to "competing" funds (e.g., money market funds, short term bond funds, certain asset allocation/lifecycle funds and brokerage window) are prohibited and instead, the participant must first exchange to a non-competing fund for 90 days. There are no redemption notice requirements or unfunded commitments as of December 31, 2022 and 2021.

### **NOTE 5 - PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

### **NOTE 6 - TAX STATUS**

The Plan has adopted a pre-approved profit sharing plan which received an advisory letter dated June 30, 2020 from the Internal Revenue Service ("IRS") stating that the Plan, as then designed, followed the applicable requirements of the IRC. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision was made for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's tax returns generally remain open for Federal tax audits for three years from the filing date.

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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### **NOTE 7 - RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

### **NOTE 8 - PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of mutual funds, a money market fund, and units of participation in a common/collective trust managed by Fidelity Investments and its affiliates. Fidelity Management Trust Company, the trustee of the Plan, is a wholly owned subsidiary of Fidelity Investments.

Fees incurred by the Plan for investment management services are included in net appreciation (depreciation) in fair value of investments. These fees are paid to the investment fund manager and may include certain revenue sharing fees that are paid to Fidelity Investments or related entities, other investment custodians and investment advisors. Additionally, as noted in Note 1, certain administrative expenses related to participant-initiated transactions are paid directly to Fidelity Management Trust Company.

The Plan also allows for the issuance of notes receivable to participants in accordance with the related regulations.

These transactions qualify as party-in-interest transactions for which there are statutory exemptions.

### **NOTE 9 - EXCESS CONTRIBUTIONS**

Contributions received from participants for the plan year ended December 31, 2021 include \$30,248 of excess contributions (net of corresponding gains and losses) that were distributed in March 2022, respectively, to certain active participants. The excess deferral contributions, originally contributed in the year ended December 31, 2021 were returned to comply with the participants' applicable maximum annual contributions permitted under the IRC. The amount is included in the Plan's statements of net assets available for benefits as excess contributions payable at December 31, 2021.

# PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

Due to reporting differences, the financial statements as of December 31, 2022 and 2021 and for the year ended December 31, 2022 reflect a difference in net assets available for benefits and a difference in the changes in net assets available for benefits as compared to the Form 5500.

The following is a reconciliation of net assets available for benefits from the financial statements to the Form 5500:

|                                                                                   | <u>December 31,</u>        |                            |
|-----------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                   | <u>2022</u>                | <u>2021</u>                |
| Net assets available for benefits per the financial statements                    | \$37,043,087               | \$35,601,925               |
| Employee contributions receivable                                                 |                            | (4,626)                    |
| Employer contributions receivable                                                 |                            | (350)                      |
| Employer contributions receivable                                                 |                            | 30,248                     |
| Adjustment from contract value to fair value for the common/collective trust fund | <u>(57,138)</u>            | <u>3,741</u>               |
| <b>Net Assets Available For Benefits Per The Form 5500</b>                        | <b><u>\$36,985,949</u></b> | <b><u>\$35,630,938</u></b> |

The following is a reconciliation of net increase in net assets available for benefits from the financial statements to the Form 5500:

|                                                                                   | <u>Year Ended<br/>2022</u> |
|-----------------------------------------------------------------------------------|----------------------------|
| Net increase in net assets available for benefits per the financial statements    | \$1,441,162                |
| Employee contributions receivable                                                 | 4,626                      |
| Employer contributions receivable                                                 | 350                        |
| Excess contributions payable                                                      | (30,248)                   |
| Adjustment from contract value to fair value for the common/collective trust fund | <u>(60,879)</u>            |
| <b>Net Increase in Net Assets Available For Benefits Per The Form 5500</b>        | <b><u>\$1,355,011</u></b>  |

# **PENNANT SERVICES, INC. 401(K) RETIREMENT PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2022**

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#### **NOTE 11 - SUBSEQUENT EVENTS**

The Plan has evaluated all subsequent events through October 16, 2023, the date the financial statements were available to be issued. Except as noted below, there were no other events identified requiring recognition or disclosure in the financial statements.

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

## **SUPPLEMENTAL SCHEDULE**

# PENNANT 401(k) RETIREMENT SAVINGS PLAN

## SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 83-3612637

PN: 001

DECEMBER 31, 2022

| (a)                                                     | (b)                                                                                                             | (c)  | (d)           | (e)           |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------|---------------|---------------|
| Identity of Issue, Borrower, Lessor or<br>Similar Party | Description of Investment<br>Including Maturity Date, Rate of<br>Interest, Collateral, Par or Maturity<br>Value | Cost | Current Value |               |
| <b><u>Mutual Funds</u></b>                              |                                                                                                                 |      |               |               |
| PIMCO                                                   | PIMCO INCOME INST                                                                                               | **   |               | \$319,906.00  |
| Columbia                                                | COL OVERSEAS VAL I3                                                                                             | **   |               | 184,918       |
| Vanguard                                                | VANG VALUE IDX ADM                                                                                              | **   |               | 1,051,068     |
| Vanguard                                                | VANG INTL GROWTH ADM                                                                                            | **   |               | 594,389       |
| Vanguard                                                | VANG SM CAP IDX ADM                                                                                             | **   |               | 368,099       |
| Vanguard                                                | VANG MDCPGR IDX ADM                                                                                             | **   |               | 462,572       |
| Guggenheim                                              | GUGHM TOT RTN BD IS                                                                                             | **   |               | 607,386       |
| Vanguard                                                | VANG SMCP GR IDX ADM                                                                                            | **   |               | 246,659       |
| Vanguard                                                | VANG SMCPVL IDX ADM                                                                                             | **   |               | 448,086       |
| Vanguard                                                | VANG MDCPVAL IDX ADM                                                                                            | **   |               | 25,558        |
| Vanguard                                                | VANG TARGET RET 2020                                                                                            | **   |               | 1,157,728     |
| Vanguard                                                | VANG TARGET RET 2030                                                                                            | **   |               | 4,043,210     |
| Vanguard                                                | VANG TARGET RET 2040                                                                                            | **   |               | 3,784,563     |
| Vanguard                                                | VANG TARGET RET 2050                                                                                            | **   |               | 2,003,851     |
| Vanguard                                                | VANG TARGET RET 2070                                                                                            | **   |               | 7,015         |
| Vanguard                                                | VANG TARGET RET 2025                                                                                            | **   |               | 2,720,346     |
| Vanguard                                                | VANG TARGET RET 2035                                                                                            | **   |               | 3,287,845     |
| Vanguard                                                | VANG TARGET RET 2045                                                                                            | **   |               | 4,593,835     |
| Vanguard                                                | VANG TARGET RET 2055                                                                                            | **   |               | 2,567,488     |
| Vanguard                                                | VANG TARGET RET 2060                                                                                            | **   |               | 1,046,160     |
| Vanguard                                                | VANG TARGET RET 2065                                                                                            | **   |               | 284,164       |
| Vanguard                                                | VANG TARGET RET INC                                                                                             | **   |               | 376,732       |
| * Fidelity                                              | FID 500 INDEX                                                                                                   | **   |               | 2,095,910     |
| * Fidelity                                              | FID GLB EX US IDX                                                                                               | **   |               | 193,167       |
| * Fidelity                                              | FID MID CAP IDX                                                                                                 | **   |               | 830,365       |
| * Fidelity                                              | FID LG CAP GR IDX                                                                                               | **   |               | 2,013,699     |
|                                                         |                                                                                                                 |      |               | 35,314,719    |
| <b><u>Common/Collective Trust Fund</u></b>              |                                                                                                                 |      |               |               |
| * Fidelity                                              | Fidelity Managed Income Portfolio                                                                               |      |               | 846,422       |
| <b><u>Money Market Fund</u></b>                         |                                                                                                                 |      |               |               |
| * Fidelity                                              | FID GOVT MMKT K6                                                                                                |      |               | 314,667       |
|                                                         |                                                                                                                 |      |               | \$ 36,475,808 |
| * <b><u>Participant Notes Receivable</u></b>            | Interest rates ranging from 4.25% - 6.50% maturing<br>through November 2028                                     |      |               | \$ 567,279    |

\* Party-in-interest

\*\* Historical cost information is not required for participant directed investments

*See independent auditors' report.*

PLAN NAME: Pennant 401(k) Retirement Savings Plan

ATTACHMENT TO FORM 5500  
MULTIPLE-EMPLOYER PLAN INFORMATION

| 1) EMPLOYER NAME               | 2) EIN     | 3) ESTIMATE OF CONTRIBUTION % | 4) Aggregate Account Balance |
|--------------------------------|------------|-------------------------------|------------------------------|
| Pennant Services, Inc.         | 83-3612637 | 90.9%                         | \$25,929,219                 |
| Rancho Bernardo Healthcare     | 84-3731894 | 8.8%                          | \$1,944,288                  |
| Black Mountain Health Care LLC | 85-0591858 | 0.3%                          | \$127,241                    |
|                                |            |                               |                              |
|                                |            |                               |                              |
| Totals                         |            | 100%                          | \$28,000,748                 |