

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan CHARLIE HEALTH 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/2022
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) CHARLIE HEALTH, INC. 233 E MAIN ST SUITE 401 BOZEMAN, MT 59715
2b	Employer Identification Number (EIN) 84-4582670
2c	Plan Sponsor's telephone number 866-491-5196
2d	Business code (see instructions) 621420

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	MEGAN BERTOLINE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 344
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 324 6a(2) 748 6b 0 6c 83 6d 831 6e 0 6f 831 6g(1) 304 6g(2) 716 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D 2A

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan CHARLIE HEALTH 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CHARLIE HEALTH, INC.	D Employer Identification Number (EIN) 84-4582670

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

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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)

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04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	9300	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
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.	
C&S INST REALTY SHS - SS&C GIDS, I 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan CHARLIE HEALTH 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CHARLIE HEALTH, INC.	D Employer Identification Number (EIN) 84-4582670	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	9472
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	18440
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1127045	5112998
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	1127045	5140910
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1127045	5140910

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1080787	
(B) Participants	2a(1)(B)	2079326	
(C) Others (including rollovers)	2a(1)(C)	619189	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3779302
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	362	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	2087	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2449
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	112480	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		112480
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(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)		423293
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		4317524

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	281651	
(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)		281651
f Corrective distributions (see instructions)	2f		103
g Certain deemed distributions of participant loans (see instructions)	2g		11489
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	1116	
(3) Recordkeeping fees.....	2i(3)	9300	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	0	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		10416
j Total expenses. Add all expense amounts in column (b) and enter total	2j		303659

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4013865
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: **HANCOCK ASKEW & CO., LLP**

(2) EIN: **58-0662558**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	☒	☐	152064
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.)	☐	☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	☐	☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	☐	☒	
e Was this plan covered by a fidelity bond?	☒	☐	1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒	☐	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	☒	☐	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☒	☐	

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 _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan CHARLIE HEALTH 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CHARLIE HEALTH, INC.	D Employer Identification Number (EIN) 84-4582670

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): EIN(s): 04-6568107 13-2670985	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes ☐ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.	
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.	
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a
b Enter the amount contributed by the employer to the plan for this plan year	6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c
If you completed line 6c, skip lines 8 and 9.	
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes ☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes ☐ No ☐ N/A

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes ☐ No

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

Schedule R (Form 5500) 2023
v. 230707

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year 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	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☒ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702438A</u> .	

CHARLIE HEALTH 401(K) PLAN

**Financial Statements
and**

Independent Auditor's Report

As of December 31, 2023 and for the Year Then Ended
and Compiled Financial Statement as of December 31, 2022

Charlie Health 401(K) Plan

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Financial Statements

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Independent Auditor's Report

Plan Administrator and Participants
Charlie Health 401(K) Plan
Alexandria, Virginia

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of the Charlie Health 401(k) 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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2023, 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.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from qualified institutions as of December 31, 2023, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- the amounts and disclosures in the accompanying 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 (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 *Auditor's Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 certifications, comparing the certified investment information with the related information presented and disclosed in the 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 GAAP.

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

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

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4a - schedule of delinquent participant contributions for the year ended December 31, 2023, and Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2023, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedules agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Accountant's Compilation Report on 2022 Financial Statement

Management is responsible for the accompanying statement of net assets available for benefits of the Plan as of December 31, 2022, and the related notes to the financial statement in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial statement.

Hancock Askew & Co., LLP

Miami, Florida
October 14, 2024

Charlie Health 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2023	(Compiled) 2022
ASSETS		
Investments		
Investments, at fair value	\$ 5,122,470	\$ 1,127,045
Receivables		
Notes receivable from participants	<u>18,440</u>	<u>-</u>
Total receivables	<u>18,440</u>	<u>-</u>
Net assets available for benefits	<u><u>\$ 5,140,910</u></u>	<u><u>\$ 1,127,045</u></u>
<i>See accompanying notes to the financial statements.</i>		

Charlie Health 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31,

2023

ADDITIONS TO NET ASSETS

Contributions

Participant	\$	2,079,326
Employer		1,080,787
Rollovers		619,189

Total contributions 3,779,302

Investment income

Interest and dividends	112,840
Net appreciation in fair value of investments	423,295

Total investment income 536,135

Interest income on notes receivable from participants 2,087

Total additions 4,317,524

DEDUCTIONS FROM NET ASSETS

Benefits paid directly to participants	293,243
Administrative expenses	10,416

Total deductions 303,659

Net increase in net assets available for benefits 4,013,865

Net assets available for benefits, beginning of year 1,127,045

Net assets available for benefits, end of year \$ 5,140,910

See accompanying notes to the financial statements.

1. Description of the Plan

The following brief description of the Charlie Health 401(K) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is sponsored by Charlie Health, Inc. (the Company or Employer) effective January 1, 2022. The Plan was amended and restated effective July 19, 2023. The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

The Plan covers all employees, excluding union employees, leased employees, and nonresident aliens, who are at least 18 years of age. Through July 19, 2023, employees had to have completed at least 6 months of service to be eligible. After July 19, 2023, there is no service requirement to be eligible. Eligible Participants may enter the Plan on the first day of the calendar month, coincident with the date in which the Participant becomes eligible.

Contributions

Each year, eligible employees may elect to contribute, on a pre-tax basis or after-tax basis (Roth contributions) up to 100% of their eligible compensation, as defined by the Plan, through payroll deductions, not to exceed the limit under the IRC. In addition, eligible Participants are permitted to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers). Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company makes a safe harbor matching contribution equal to 100% of the first 3% of compensation and then 50% of the next 2% of compensation (Company safe harbor contributions). The Company may make discretionary profit-sharing contributions as determined annually (Company discretionary contributions). There were no Company discretionary contributions made during 2023.

Participant Accounts

Each Participant's account is credited with the Participant's salary deferral contributions, allocations of any Company non-elective contributions, and his/her share of the Plan's income (loss). The Plan's income (loss), with respect to each investment fund, is allocated based on the proportion that each Participant's account balance invested in such fund compared to the total of all Participants' account balances invested in such fund.

Notes Receivable from Participants

Participants may borrow, from their fund accounts, a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The notes receivable from Participants are secured by the balance in the Participant's account and bear a rate of interest equal to the prime rate plus 1%. Principal and interest payments occur ratably through regular payroll deductions over a period not to exceed five years unless the notes receivable were used to purchase a primary residence in which case the note receivable terms may exceed five years. Participants are only allowed to have one loan outstanding at a time.

Vesting

Participants are immediately vested in the value of their salary deferrals, and rollovers, plus related investment earnings, as well as Company safe harbor contributions and Company discretionary contributions (if any).

1. Description of the Plan (cont.)

Payment of Benefits

Participant accounts may be withdrawn upon retirement, death, or termination of employment. Participants may elect to have distributions paid in a lump-sum and are either paid directly to the Participant or rolled over to another qualified retirement plan. Installments are permitted only for required minimum distributions. The Plan also allows for in-service withdrawals at age 59½, along with withdrawals in the event of a financial hardship.

Forfeitures

The Plan allows forfeitures to be used to reduce Company contributions or pay Plan expenses. Unused forfeitures available for use at December 31, 2023 and 2022 were \$6,471 and \$6,317, respectively. During the year ended December 31, 2023, the Company utilized no forfeitures to reduce Company contributions or pay Plan expenses.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. The Plan follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income (Loss) Recognition

The investments of the Plan are reported at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). See Note 4 for discussion of the fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest is recorded when earned and dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions from Plan Participants and the matching contributions from the Company are recorded in the year in which the employee contributions are withheld from compensation.

Plan Expenses

Certain administrative expenses related to distributions and other Participant-initiated transactions are charged to the account of the Plan Participant. Other administrative expenses and investment management fees are paid from the Plan's forfeitures and through reductions of investment returns under the Plan's investment options.

2. Summary of Significant Accounting Policies (cont.)

Benefit Payments

Benefit payments to Participants are recorded upon distribution.

Notes Receivable from Participants

Notes receivable from Participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when incurred. No allowances for credit losses have been recorded as of December 31, 2023 and 2022. If a Participant ceases to make loan payments and the Plan administrator deems the Participant to be in default, the participant loan balance is reduced, and a benefit payment is recorded.

3. Certified Information

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Benefit Trust Company (Benefit Trust) has provided a certification that the financial information included in the financial statements as of December 31, 202 (compiled) and for the period from January 1, 2023 to July 18, 2023, provided to the Plan is complete and accurate. Additionally, Fidelity Management Trust Company (Fidelity) has provided a certification that the financial information included in the financial statements and supplemental schedule as of December 31, 2023, and for the period from July 18, 2023 to December 31, 2023, provided to the Plan is complete and accurate. The information as to investment assets and transactions therein, and investment income (loss) included in the accompanying financial statements and supplemental schedule as of December 31, 2023 and 2022 (compiled), and for the year ended December 31, 2023, is covered by such certifications.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Fair Value Measurement

GAAP establishes 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 in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Charlie Health 401(K) Plan

Notes to Financial Statements

4. Fair Value Measurement (cont.)

Basis of Fair Value Measurement (cont.)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2023 and 2022 (compiled).

Mutual and Money Market Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methodology described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methodology is appropriate and consistent with other market Participants, the use of different methodology or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022 (compiled).

<i>December 31, 2023</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	5,112,998	\$	-	\$	-	\$	5,112,998
Money market fund		9,472		-		-		9,472
Total investments at fair value	\$	5,122,470	\$	-	\$	-	\$	5,122,470

<i>December 31, 2022 (compiled)</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	1,125,337	\$	-	\$	-	\$	1,125,337
Money market fund		1,708		-		-		1,708
Total investments at fair value	\$	1,127,045	\$	-	\$	-	\$	1,127,045

5. Tax Status

In July 2023, the Plan that was based on the Non-Standardized Pre-Approved Profit Sharing/Money Purchase/CODA sponsored by Guideline Inc (Guideline) moved to the Non-Standardized Pre-Approved Profit Sharing Plan with CODA (Pre-Approved Plan) sponsored by FMR LLC (doing business as Fidelity Institutional Asset Management). The Internal Revenue Service (IRS) has opined and informed FMR LLC by a letter dated June 30, 2020, stating that the Pre-Approved Plan was designed in accordance with the provisions of the IRC. The Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not based on the technical merits not to be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Plan Termination

Although it has not expressed an intention 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 would become 100% vested in their Company contributions.

7. Party-In-Interest Transactions

The recordkeeping and custody functions of the underlying investments held by the Plan were performed by Benefit Trust and Guideline, respectively, through July 18, 2023. Effective July 18, 2023, the recordkeeping and custody functions for the underlying investments held by the Plan are performed by Fidelity. Notes receivable from Participants are defined by ERISA as party-in-interest transactions. Such transactions are exempt from the prohibited transaction rules.

8. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect Participants' account balances, and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

At December 31, 2023, approximately 20% of the Plan's investments were invested in the Fidelity Freedom Index 2055 Fund Institutional Premium Class and 28% were invested in the Fidelity Freedom Index 2060 Fund Institutional Premium Class.

9. Delinquent Participant Contributions

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

10. Subsequent Events

The Company has evaluated subsequent events through October 14, 2024, the date the financial statements were available to be issued, and has determined that no significant events occurred after December 31, 2023, but prior to the issuance of these financial statements, that would have a material impact on its financial statements.

SUPPLEMENTAL SCHEDULES

Charlie Health 401(k) Plan
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
EIN: 84-4582670
Plan # 001

Year Ended December 31, 2023

	Participant Contributions Transferred Late to the Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PIE 2002- 51
	☐ Check Here if Late Participant Loan Repayments are included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Plan Year					
2023	\$ 152,064	\$ 9,075	\$ 142,989	-	\$ -

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

Charlie Health 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN: 84-4582670
Plan # 001

December 31, 2023

	(b)	(c)	(d)	(e)
(a)	Identity of Issuer	Description of Investment: Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Money market account				
*	The Gabelli Money Market Funds	The Gabelli U.S. Treasury Money Market Fund	**	\$ 9,472
Mutual funds				
*	Fidelity Investments	Fidelity US Bond Index Fund	**	38,094
*	Fidelity Investments	Fidelity 500 Index Fund	**	418,458
*	Fidelity Investments	Fidelity Mid Cap Index Fund	**	51,050
*	Fidelity Investments	Fidelity Small Cap Index Fund	**	30,016
*	Fidelity Investments	Fidelity International Index Fund	**	45,914
*	Fidelity Investments	Fidelity Freedom Index 2015 Fund Institutional Premium Class	**	2,010
*	Fidelity Investments	Fidelity Freedom Index 2020 Fund Institutional Premium Class	**	1,382
*	Fidelity Investments	Fidelity Freedom Index 2025 Fund Institutional Premium Class	**	38,891
*	Fidelity Investments	Fidelity Freedom Index 2030 Fund Institutional Premium Class	**	30,712
*	Fidelity Investments	Fidelity Freedom Index 2035 Fund Institutional Premium Class	**	71,459
*	Fidelity Investments	Fidelity Freedom Index 2040 Fund Institutional Premium Class	**	76,797
*	Fidelity Investments	Fidelity Freedom Index 2045 Fund Institutional Premium Class	**	378,356
*	Fidelity Investments	Fidelity Freedom Index 2050 Fund Institutional Premium Class	**	825,149
*	Fidelity Investments	Fidelity Freedom Index 2055 Fund Institutional Premium Class	**	1,035,362
*	Fidelity Investments	Fidelity Freedom Index 2060 Fund Institutional Premium Class	**	1,455,227
*	Fidelity Investments	Fidelity Freedom Index 2065 Fund Institutional Premium Class	**	241,991
*	Fidelity Investments	Fidelity Large Cap Growth Index Fund	**	204,737
	American Century Investments	American Century Small Cap Growth Fund R6 Class	**	113
	American Funds	American Funds The Bond Fund of America Class R-6	**	3,525
	American Funds	American Funds Inflation Linked Bond Fund Class R-6	**	828
	Putnam Investments	Putnam Large Cap Value Fund Class R6	**	50,679
	Principal Global Investors	Principal MidCap Value R6 Fund	**	3,487
	MFS	MFS International Equity Fund Class R6	**	24,877
	Cohen & Steers	Cohen & Steers Institutional Realty Shares	**	3,560
	American Funds	American Funds New World Fund Class R-6	**	21,675
	PGIM	PGIM High Yield Fund- Class R6	**	6,478
	PIMCO	PIMCO RAE US Small Fund Inst	**	12,744
	JP Morgan	JPMorgan Mid Cap Growth Fund Class R6	**	39,427
				5,112,998
Notes receivable				
*	Participants	Notes receivable with variable maturities and interest rates ranging from 8.75% - 9.50% on all outstanding notes.	-	18,440
Total				\$ 5,140,910

* Party-in-interest, as defined by ERISA.

**The cost of participant-directed accounts is not required to be disclosed.

CHARLIE HEALTH 401(K) PLAN

**Financial Statements
and**

Independent Auditor's Report

As of December 31, 2023 and for the Year Then Ended
and Compiled Financial Statement as of December 31, 2022

Charlie Health 401(K) Plan

Notes to Financial Statements

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Independent Auditor's Report

Plan Administrator and Participants
Charlie Health 401(K) Plan
Alexandria, Virginia

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of the Charlie Health 401(k) 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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2023, 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.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from qualified institutions as of December 31, 2023, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- the amounts and disclosures in the accompanying 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 (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 *Auditor's Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 certifications, comparing the certified investment information with the related information presented and disclosed in the 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 GAAP.

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

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

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4a - schedule of delinquent participant contributions for the year ended December 31, 2023, and Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2023, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedules agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Accountant's Compilation Report on 2022 Financial Statement

Management is responsible for the accompanying statement of net assets available for benefits of the Plan as of December 31, 2022, and the related notes to the financial statement in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial statement.

Hancock Askew & Co., LLP

Miami, Florida
October 14, 2024

Charlie Health 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2023	(Compiled) 2022
ASSETS		
Investments		
Investments, at fair value	\$ 5,122,470	\$ 1,127,045
Receivables		
Notes receivable from participants	<u>18,440</u>	<u>-</u>
Total receivables	<u>18,440</u>	<u>-</u>
Net assets available for benefits	<u><u>\$ 5,140,910</u></u>	<u><u>\$ 1,127,045</u></u>
<i>See accompanying notes to the financial statements.</i>		

Charlie Health 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31,

2023

ADDITIONS TO NET ASSETS

Contributions

Participant	\$	2,079,326
Employer		1,080,787
Rollovers		619,189

Total contributions 3,779,302

Investment income

Interest and dividends	112,840
Net appreciation in fair value of investments	423,295

Total investment income 536,135

Interest income on notes receivable from participants 2,087

Total additions 4,317,524

DEDUCTIONS FROM NET ASSETS

Benefits paid directly to participants	293,243
Administrative expenses	10,416

Total deductions 303,659

Net increase in net assets available for benefits 4,013,865

Net assets available for benefits, beginning of year 1,127,045

Net assets available for benefits, end of year \$ 5,140,910

See accompanying notes to the financial statements.

1. Description of the Plan

The following brief description of the Charlie Health 401(K) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is sponsored by Charlie Health, Inc. (the Company or Employer) effective January 1, 2022. The Plan was amended and restated effective July 19, 2023. The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

The Plan covers all employees, excluding union employees, leased employees, and nonresident aliens, who are at least 18 years of age. Through July 19, 2023, employees had to have completed at least 6 months of service to be eligible. After July 19, 2023, there is no service requirement to be eligible. Eligible Participants may enter the Plan on the first day of the calendar month, coincident with the date in which the Participant becomes eligible.

Contributions

Each year, eligible employees may elect to contribute, on a pre-tax basis or after-tax basis (Roth contributions) up to 100% of their eligible compensation, as defined by the Plan, through payroll deductions, not to exceed the limit under the IRC. In addition, eligible Participants are permitted to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers). Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company makes a safe harbor matching contribution equal to 100% of the first 3% of compensation and then 50% of the next 2% of compensation (Company safe harbor contributions). The Company may make discretionary profit-sharing contributions as determined annually (Company discretionary contributions). There were no Company discretionary contributions made during 2023.

Participant Accounts

Each Participant's account is credited with the Participant's salary deferral contributions, allocations of any Company non-elective contributions, and his/her share of the Plan's income (loss). The Plan's income (loss), with respect to each investment fund, is allocated based on the proportion that each Participant's account balance invested in such fund compared to the total of all Participants' account balances invested in such fund.

Notes Receivable from Participants

Participants may borrow, from their fund accounts, a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The notes receivable from Participants are secured by the balance in the Participant's account and bear a rate of interest equal to the prime rate plus 1%. Principal and interest payments occur ratably through regular payroll deductions over a period not to exceed five years unless the notes receivable were used to purchase a primary residence in which case the note receivable terms may exceed five years. Participants are only allowed to have one loan outstanding at a time.

Vesting

Participants are immediately vested in the value of their salary deferrals, and rollovers, plus related investment earnings, as well as Company safe harbor contributions and Company discretionary contributions (if any).

1. Description of the Plan (cont.)

Payment of Benefits

Participant accounts may be withdrawn upon retirement, death, or termination of employment. Participants may elect to have distributions paid in a lump-sum and are either paid directly to the Participant or rolled over to another qualified retirement plan. Installments are permitted only for required minimum distributions. The Plan also allows for in-service withdrawals at age 59½, along with withdrawals in the event of a financial hardship.

Forfeitures

The Plan allows forfeitures to be used to reduce Company contributions or pay Plan expenses. Unused forfeitures available for use at December 31, 2023 and 2022 were \$6,471 and \$6,317, respectively. During the year ended December 31, 2023, the Company utilized no forfeitures to reduce Company contributions or pay Plan expenses.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. The Plan follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income (Loss) Recognition

The investments of the Plan are reported at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). See Note 4 for discussion of the fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest is recorded when earned and dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions from Plan Participants and the matching contributions from the Company are recorded in the year in which the employee contributions are withheld from compensation.

Plan Expenses

Certain administrative expenses related to distributions and other Participant-initiated transactions are charged to the account of the Plan Participant. Other administrative expenses and investment management fees are paid from the Plan's forfeitures and through reductions of investment returns under the Plan's investment options.

2. Summary of Significant Accounting Policies (cont.)

Benefit Payments

Benefit payments to Participants are recorded upon distribution.

Notes Receivable from Participants

Notes receivable from Participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when incurred. No allowances for credit losses have been recorded as of December 31, 2023 and 2022. If a Participant ceases to make loan payments and the Plan administrator deems the Participant to be in default, the participant loan balance is reduced, and a benefit payment is recorded.

3. Certified Information

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Benefit Trust Company (Benefit Trust) has provided a certification that the financial information included in the financial statements as of December 31, 202 (compiled) and for the period from January 1, 2023 to July 18, 2023, provided to the Plan is complete and accurate. Additionally, Fidelity Management Trust Company (Fidelity) has provided a certification that the financial information included in the financial statements and supplemental schedule as of December 31, 2023, and for the period from July 18, 2023 to December 31, 2023, provided to the Plan is complete and accurate. The information as to investment assets and transactions therein, and investment income (loss) included in the accompanying financial statements and supplemental schedule as of December 31, 2023 and 2022 (compiled), and for the year ended December 31, 2023, is covered by such certifications.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Fair Value Measurement

GAAP establishes 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 in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Charlie Health 401(K) Plan

Notes to Financial Statements

4. Fair Value Measurement (cont.)

Basis of Fair Value Measurement (cont.)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2023 and 2022 (compiled).

Mutual and Money Market Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methodology described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methodology is appropriate and consistent with other market Participants, the use of different methodology or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022 (compiled).

<i>December 31, 2023</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	5,112,998	\$	-	\$	-	\$	5,112,998
Money market fund		9,472		-		-		9,472
Total investments at fair value	\$	5,122,470	\$	-	\$	-	\$	5,122,470

<i>December 31, 2022 (compiled)</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	1,125,337	\$	-	\$	-	\$	1,125,337
Money market fund		1,708		-		-		1,708
Total investments at fair value	\$	1,127,045	\$	-	\$	-	\$	1,127,045

5. Tax Status

In July 2023, the Plan that was based on the Non-Standardized Pre-Approved Profit Sharing/Money Purchase/CODA sponsored by Guideline Inc (Guideline) moved to the Non-Standardized Pre-Approved Profit Sharing Plan with CODA (Pre-Approved Plan) sponsored by FMR LLC (doing business as Fidelity Institutional Asset Management). The Internal Revenue Service (IRS) has opined and informed FMR LLC by a letter dated June 30, 2020, stating that the Pre-Approved Plan was designed in accordance with the provisions of the IRC. The Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not based on the technical merits not to be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Plan Termination

Although it has not expressed an intention 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 would become 100% vested in their Company contributions.

7. Party-In-Interest Transactions

The recordkeeping and custody functions of the underlying investments held by the Plan were performed by Benefit Trust and Guideline, respectively, through July 18, 2023. Effective July 18, 2023, the recordkeeping and custody functions for the underlying investments held by the Plan are performed by Fidelity. Notes receivable from Participants are defined by ERISA as party-in-interest transactions. Such transactions are exempt from the prohibited transaction rules.

8. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect Participants' account balances, and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

At December 31, 2023, approximately 20% of the Plan's investments were invested in the Fidelity Freedom Index 2055 Fund Institutional Premium Class and 28% were invested in the Fidelity Freedom Index 2060 Fund Institutional Premium Class.

9. Delinquent Participant Contributions

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

10. Subsequent Events

The Company has evaluated subsequent events through October 14, 2024, the date the financial statements were available to be issued, and has determined that no significant events occurred after December 31, 2023, but prior to the issuance of these financial statements, that would have a material impact on its financial statements.

SUPPLEMENTAL SCHEDULES

Charlie Health 401(k) Plan
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
EIN: 84-4582670
Plan # 001

Year Ended December 31, 2023

Plan Year	Participant Contributions Transferred Late to the Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PIE 2002- 51
	☒ Check Here if Late Participant Loan Repayments are included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2023	\$ 152,064	\$ 9,075	\$ 142,989	-	\$ -

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

Charlie Health 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN: 84-4582670
Plan # 001

December 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment: Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Money market account				
*	The Gabelli Money Market Funds	The Gabelli U.S. Treasury Money Market Fund	**	\$ 9,472
Mutual funds				
*	Fidelity Investments	Fidelity US Bond Index Fund	**	38,094
*	Fidelity Investments	Fidelity 500 Index Fund	**	418,458
*	Fidelity Investments	Fidelity Mid Cap Index Fund	**	51,050
*	Fidelity Investments	Fidelity Small Cap Index Fund	**	30,016
*	Fidelity Investments	Fidelity International Index Fund	**	45,914
*	Fidelity Investments	Fidelity Freedom Index 2015 Fund Institutional Premium Class	**	2,010
*	Fidelity Investments	Fidelity Freedom Index 2020 Fund Institutional Premium Class	**	1,382
*	Fidelity Investments	Fidelity Freedom Index 2025 Fund Institutional Premium Class	**	38,891
*	Fidelity Investments	Fidelity Freedom Index 2030 Fund Institutional Premium Class	**	30,712
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*	Fidelity Investments	Fidelity Freedom Index 2040 Fund Institutional Premium Class	**	76,797
*	Fidelity Investments	Fidelity Freedom Index 2045 Fund Institutional Premium Class	**	378,356
*	Fidelity Investments	Fidelity Freedom Index 2050 Fund Institutional Premium Class	**	825,149
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*	Fidelity Investments	Fidelity Large Cap Growth Index Fund	**	204,737
	American Century Investments	American Century Small Cap Growth Fund R6 Class	**	113
	American Funds	American Funds The Bond Fund of America Class R-6	**	3,525
	American Funds	American Funds Inflation Linked Bond Fund Class R-6	**	828
	Putnam Investments	Putnam Large Cap Value Fund Class R6	**	50,679
	Principal Global Investors	Principal MidCap Value R6 Fund	**	3,487
	MFS	MFS International Equity Fund Class R6	**	24,877
	Cohen & Steers	Cohen & Steers Institutional Realty Shares	**	3,560
	American Funds	American Funds New World Fund Class R-6	**	21,675
	PGIM	PGIM High Yield Fund- Class R6	**	6,478
	PIMCO	PIMCO RAE US Small Fund Inst	**	12,744
	JP Morgan	JPMorgan Mid Cap Growth Fund Class R6	**	39,427
				5,112,998
Notes receivable				
*	Participants	Notes receivable with variable maturities and interest rates ranging from 8.75% - 9.50% on all outstanding notes.	-	18,440
Total				<u>\$ 5,140,910</u>

* Party-in-interest, as defined by ERISA.

**The cost of participant-directed accounts is not required to be disclosed.

CHARLIE HEALTH 401(K) PLAN

**Financial Statements
and**

Independent Auditor's Report

As of December 31, 2023 and for the Year Then Ended
and Compiled Financial Statement as of December 31, 2022

Charlie Health 401(K) Plan

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Independent Auditor's Report

Plan Administrator and Participants
Charlie Health 401(K) Plan
Alexandria, Virginia

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of the Charlie Health 401(k) 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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2023, 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.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from qualified institutions as of December 31, 2023, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- the amounts and disclosures in the accompanying 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 (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 *Auditor's Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 certifications, comparing the certified investment information with the related information presented and disclosed in the 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 GAAP.

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

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

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4a - schedule of delinquent participant contributions for the year ended December 31, 2023, and Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2023, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedules agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Accountant's Compilation Report on 2022 Financial Statement

Management is responsible for the accompanying statement of net assets available for benefits of the Plan as of December 31, 2022, and the related notes to the financial statement in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial statement.

Hancock Askew & Co., LLP

Miami, Florida
October 14, 2024

Charlie Health 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2023	(Compiled) 2022
ASSETS		
Investments		
Investments, at fair value	\$ 5,122,470	\$ 1,127,045
Receivables		
Notes receivable from participants	<u>18,440</u>	<u>-</u>
Total receivables	<u>18,440</u>	<u>-</u>
Net assets available for benefits	<u><u>\$ 5,140,910</u></u>	<u><u>\$ 1,127,045</u></u>
<i>See accompanying notes to the financial statements.</i>		

Charlie Health 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31,

2023

ADDITIONS TO NET ASSETS

Contributions

Participant	\$	2,079,326
Employer		1,080,787
Rollovers		619,189

Total contributions 3,779,302

Investment income

Interest and dividends	112,840
Net appreciation in fair value of investments	423,295

Total investment income 536,135

Interest income on notes receivable from participants 2,087

Total additions 4,317,524

DEDUCTIONS FROM NET ASSETS

Benefits paid directly to participants	293,243
Administrative expenses	10,416

Total deductions 303,659

Net increase in net assets available for benefits 4,013,865

Net assets available for benefits, beginning of year 1,127,045

Net assets available for benefits, end of year \$ 5,140,910

See accompanying notes to the financial statements.

1. Description of the Plan

The following brief description of the Charlie Health 401(K) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is sponsored by Charlie Health, Inc. (the Company or Employer) effective January 1, 2022. The Plan was amended and restated effective July 19, 2023. The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

The Plan covers all employees, excluding union employees, leased employees, and nonresident aliens, who are at least 18 years of age. Through July 19, 2023, employees had to have completed at least 6 months of service to be eligible. After July 19, 2023, there is no service requirement to be eligible. Eligible Participants may enter the Plan on the first day of the calendar month, coincident with the date in which the Participant becomes eligible.

Contributions

Each year, eligible employees may elect to contribute, on a pre-tax basis or after-tax basis (Roth contributions) up to 100% of their eligible compensation, as defined by the Plan, through payroll deductions, not to exceed the limit under the IRC. In addition, eligible Participants are permitted to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers). Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company makes a safe harbor matching contribution equal to 100% of the first 3% of compensation and then 50% of the next 2% of compensation (Company safe harbor contributions). The Company may make discretionary profit-sharing contributions as determined annually (Company discretionary contributions). There were no Company discretionary contributions made during 2023.

Participant Accounts

Each Participant's account is credited with the Participant's salary deferral contributions, allocations of any Company non-elective contributions, and his/her share of the Plan's income (loss). The Plan's income (loss), with respect to each investment fund, is allocated based on the proportion that each Participant's account balance invested in such fund compared to the total of all Participants' account balances invested in such fund.

Notes Receivable from Participants

Participants may borrow, from their fund accounts, a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The notes receivable from Participants are secured by the balance in the Participant's account and bear a rate of interest equal to the prime rate plus 1%. Principal and interest payments occur ratably through regular payroll deductions over a period not to exceed five years unless the notes receivable were used to purchase a primary residence in which case the note receivable terms may exceed five years. Participants are only allowed to have one loan outstanding at a time.

Vesting

Participants are immediately vested in the value of their salary deferrals, and rollovers, plus related investment earnings, as well as Company safe harbor contributions and Company discretionary contributions (if any).

1. Description of the Plan (cont.)

Payment of Benefits

Participant accounts may be withdrawn upon retirement, death, or termination of employment. Participants may elect to have distributions paid in a lump-sum and are either paid directly to the Participant or rolled over to another qualified retirement plan. Installments are permitted only for required minimum distributions. The Plan also allows for in-service withdrawals at age 59½, along with withdrawals in the event of a financial hardship.

Forfeitures

The Plan allows forfeitures to be used to reduce Company contributions or pay Plan expenses. Unused forfeitures available for use at December 31, 2023 and 2022 were \$6,471 and \$6,317, respectively. During the year ended December 31, 2023, the Company utilized no forfeitures to reduce Company contributions or pay Plan expenses.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. The Plan follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income (Loss) Recognition

The investments of the Plan are reported at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). See Note 4 for discussion of the fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest is recorded when earned and dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions from Plan Participants and the matching contributions from the Company are recorded in the year in which the employee contributions are withheld from compensation.

Plan Expenses

Certain administrative expenses related to distributions and other Participant-initiated transactions are charged to the account of the Plan Participant. Other administrative expenses and investment management fees are paid from the Plan's forfeitures and through reductions of investment returns under the Plan's investment options.

2. Summary of Significant Accounting Policies (cont.)

Benefit Payments

Benefit payments to Participants are recorded upon distribution.

Notes Receivable from Participants

Notes receivable from Participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when incurred. No allowances for credit losses have been recorded as of December 31, 2023 and 2022. If a Participant ceases to make loan payments and the Plan administrator deems the Participant to be in default, the participant loan balance is reduced, and a benefit payment is recorded.

3. Certified Information

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Benefit Trust Company (Benefit Trust) has provided a certification that the financial information included in the financial statements as of December 31, 202 (compiled) and for the period from January 1, 2023 to July 18, 2023, provided to the Plan is complete and accurate. Additionally, Fidelity Management Trust Company (Fidelity) has provided a certification that the financial information included in the financial statements and supplemental schedule as of December 31, 2023, and for the period from July 18, 2023 to December 31, 2023, provided to the Plan is complete and accurate. The information as to investment assets and transactions therein, and investment income (loss) included in the accompanying financial statements and supplemental schedule as of December 31, 2023 and 2022 (compiled), and for the year ended December 31, 2023, is covered by such certifications.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Fair Value Measurement

GAAP establishes 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 in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Charlie Health 401(K) Plan

Notes to Financial Statements

4. Fair Value Measurement (cont.)

Basis of Fair Value Measurement (cont.)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2023 and 2022 (compiled).

Mutual and Money Market Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methodology described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methodology is appropriate and consistent with other market Participants, the use of different methodology or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022 (compiled).

<i>December 31, 2023</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	5,112,998	\$	-	\$	-	\$	5,112,998
Money market fund		9,472		-		-		9,472
Total investments at fair value	\$	5,122,470	\$	-	\$	-	\$	5,122,470

<i>December 31, 2022 (compiled)</i>		Level 1		Level 2		Level 3		Total
Mutual funds	\$	1,125,337	\$	-	\$	-	\$	1,125,337
Money market fund		1,708		-		-		1,708
Total investments at fair value	\$	1,127,045	\$	-	\$	-	\$	1,127,045

5. Tax Status

In July 2023, the Plan that was based on the Non-Standardized Pre-Approved Profit Sharing/Money Purchase/CODA sponsored by Guideline Inc (Guideline) moved to the Non-Standardized Pre-Approved Profit Sharing Plan with CODA (Pre-Approved Plan) sponsored by FMR LLC (doing business as Fidelity Institutional Asset Management). The Internal Revenue Service (IRS) has opined and informed FMR LLC by a letter dated June 30, 2020, stating that the Pre-Approved Plan was designed in accordance with the provisions of the IRC. The Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not based on the technical merits not to be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Plan Termination

Although it has not expressed an intention 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 would become 100% vested in their Company contributions.

7. Party-In-Interest Transactions

The recordkeeping and custody functions of the underlying investments held by the Plan were performed by Benefit Trust and Guideline, respectively, through July 18, 2023. Effective July 18, 2023, the recordkeeping and custody functions for the underlying investments held by the Plan are performed by Fidelity. Notes receivable from Participants are defined by ERISA as party-in-interest transactions. Such transactions are exempt from the prohibited transaction rules.

8. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect Participants' account balances, and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

At December 31, 2023, approximately 20% of the Plan's investments were invested in the Fidelity Freedom Index 2055 Fund Institutional Premium Class and 28% were invested in the Fidelity Freedom Index 2060 Fund Institutional Premium Class.

9. Delinquent Participant Contributions

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

10. Subsequent Events

The Company has evaluated subsequent events through October 14, 2024, the date the financial statements were available to be issued, and has determined that no significant events occurred after December 31, 2023, but prior to the issuance of these financial statements, that would have a material impact on its financial statements.

SUPPLEMENTAL SCHEDULES

Charlie Health 401(k) Plan
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
EIN: 84-4582670
Plan # 001

Year Ended December 31, 2023

	Participant Contributions Transferred Late to the Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PIE 2002- 51
	☐ Check Here if Late Participant Loan Repayments are included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Plan Year					
2023	\$ 152,064	\$ 9,075	\$ 142,989	-	\$ -

During 2023, employee withholdings of \$152,064 were not remitted within the appropriate time period by the Company. The Company remitted \$142,989 of the 2023 delinquent contributions in 2023 and plans to remit the remaining 2023 delinquent contributions of \$9,075 during 2024. The Company remitted part of the lost earnings to the Plan during 2023 and plans to remit the remaining during 2024. These transactions constituted prohibited transactions as defined by ERISA.

Charlie Health 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN: 84-4582670
Plan # 001

December 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment: Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Money market account				
*	The Gabelli Money Market Funds	The Gabelli U.S. Treasury Money Market Fund	**	\$ 9,472
Mutual funds				
*	Fidelity Investments	Fidelity US Bond Index Fund	**	38,094
*	Fidelity Investments	Fidelity 500 Index Fund	**	418,458
*	Fidelity Investments	Fidelity Mid Cap Index Fund	**	51,050
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*	Fidelity Investments	Fidelity Freedom Index 2030 Fund Institutional Premium Class	**	30,712
*	Fidelity Investments	Fidelity Freedom Index 2035 Fund Institutional Premium Class	**	71,459
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	American Century Investments	American Century Small Cap Growth Fund R6 Class	**	113
	American Funds	American Funds The Bond Fund of America Class R-6	**	3,525
	American Funds	American Funds Inflation Linked Bond Fund Class R-6	**	828
	Putnam Investments	Putnam Large Cap Value Fund Class R6	**	50,679
	Principal Global Investors	Principal MidCap Value R6 Fund	**	3,487
	MFS	MFS International Equity Fund Class R6	**	24,877
	Cohen & Steers	Cohen & Steers Institutional Realty Shares	**	3,560
	American Funds	American Funds New World Fund Class R-6	**	21,675
	PGIM	PGIM High Yield Fund- Class R6	**	6,478
	PIMCO	PIMCO RAE US Small Fund Inst	**	12,744
	JP Morgan	JPMorgan Mid Cap Growth Fund Class R6	**	39,427
				5,112,998
Notes receivable				
*	Participants	Notes receivable with variable maturities and interest rates ranging from 8.75% - 9.50% on all outstanding notes.	-	18,440
Total				<u>\$ 5,140,910</u>

* Party-in-interest, as defined by ERISA.

**The cost of participant-directed accounts is not required to be disclosed.