

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  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).  <b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089  <div style="font-size: 24pt; font-weight: bold; text-align: center;">2024</div>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

**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. . . . .

<b>Part II</b>	<b>Basic Plan Information—enter all requested information</b>
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<b>1a</b> Name of plan <u>GALOIS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<b>1b</b> Three-digit plan number (PN) ▶ <u>002</u>
<b>2a</b> 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) <u>GALOIS, INC.</u>  <u>421 SW 6TH AVE, SUITE 300</u> <u>PORTLAND, OR 97204-1522</u>	<b>1c</b> Effective date of plan <u>01/01/2013</u>  <b>2b</b> Employer Identification Number (EIN) <u>93-1278540</u>  <b>2c</b> Plan Sponsor's telephone number <u>503-626-6616</u>  <b>2d</b> Business code (see instructions) <u>541511</u>

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	08/27/2025	DANIEL BOYER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	179
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	126
	<b>6a(2)</b>	119
	<b>6b</b>	24
	<b>6c</b>	25
	<b>6d</b>	168
	<b>6e</b>	0
	<b>6f</b>	168
	<b>6g(1)</b>	178
	<b>6g(2)</b>	168
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
2I 3I 2P 2Q

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

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1)  **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)

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

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**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.

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**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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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 \_\_\_\_\_

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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>GALOIS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>GALOIS, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>93-1278540</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
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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.

<b>Assets</b>	<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	
<b>b</b> Receivables (less allowance for doubtful accounts):		
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	997663
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>	
<b>(3)</b> Other .....	<b>1b(3)</b>	
<b>c</b> General investments:		
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	1430512
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>	
<b>(3)</b> Corporate debt instruments (other than employer securities):		
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>	
<b>(B)</b> All other .....	<b>1c(3)(B)</b>	
<b>(4)</b> Corporate stocks (other than employer securities):		
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>	
<b>(B)</b> Common .....	<b>1c(4)(B)</b>	
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>	
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>	
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>	
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>	
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>	
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>	
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>	
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>	
<b>(15)</b> Other .....	<b>1c(15)</b>	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	13588000	15394000
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	16016175	17373913
<b>Liabilities</b>			
g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	6164587	5709735
j Other liabilities.....	1j	674178	674178
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	6838765	6383913
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	9177410	10990000

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	1088578	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		1088578
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	32523	
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		32523
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	1806000	
(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 .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		2927101

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	894977	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		894977
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		219326
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>		
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>		
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>	208	
(7) Actuarial fees .....	<b>2i(7)</b>		
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses.....	<b>2i(11)</b>		
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		208
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		1114511

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		1812590
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**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: DELAP LLP

(2) EIN: 93-0418710

**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
<b>a</b> 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.)		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

**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.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> 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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>GALOIS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>GALOIS, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>93-1278540</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
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**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): 46-7290006

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	3	
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<b>Part II</b>	<b>Funding Information</b> (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.)
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**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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	6a	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	6b	
<b>c</b> 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

<b>Part III</b>	<b>Amendments</b>
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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

<b>Part IV</b>	<b>ESOPs</b> (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.
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**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  Yes  No

**11 a** Does the ESOP hold any preferred stock? .....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? .....  Yes  No

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

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

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

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	<b>16b</b>	

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation: \_\_\_\_\_

**Part VII IRS Compliance Questions**

**21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?  Yes  No

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.



**Galois, Inc.  
Employee Stock Ownership Plan  
Financial Statements and  
Supplemental Schedule  
December 31, 2024  
and 2023**

# Galois, Inc.

## Employee Stock Ownership Plan

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## **Independent Auditors' Report**

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To the Board of Trustees of the  
Galois, Inc. Employee Stock Ownership Plan

### **Opinion**

We have audited the accompanying financial statements of the Galois, Inc. Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 and 2023, the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets (deficit) available for benefits for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Basis for Opinion**

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

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

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

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 for one year after the date that the financial statements are available to be issued.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 audits.

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

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, as listed in the accompanying table of contents, as of December 31, 2024, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (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 has been subjected to the auditing procedures applied in the audits 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.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

DELAP LLP

August 12, 2025

**Galois, Inc.**  
**Employee Stock Ownership Plan**  
**Statements of Net Assets (Deficit) Available for Benefits**  
**December 31, 2024 and 2023**

	<b>2024</b>		
	<b>Non-Participant Directed</b>		
	<b>Allocated</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>			
Galois, Inc. (Galois) common stock at fair value	\$ 9,789,098	\$ 5,604,902	\$ 15,394,000
Cash and cash equivalents	891,335	-	891,335
Employer contribution receivable	1,088,578	-	1,088,578
<b>Total Assets</b>	<b>11,769,011</b>	<b>5,604,902</b>	<b>17,373,913</b>
<b>Liabilities</b>			
Related party notes payable	-	5,709,735	5,709,735
Loan payments in transit	-	674,178	674,178
<b>Total Liabilities</b>	<b>-</b>	<b>6,383,913</b>	<b>6,383,913</b>
<b>Net Assets (Deficit) Available for Benefits</b>	<b>\$ 11,769,011</b>	<b>\$ (779,011)</b>	<b>\$ 10,990,000</b>

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

**Galois, Inc.**  
**Employee Stock Ownership Plan**  
**Statements of Net Assets (Deficit) Available for Benefits (Continued)**  
**December 31, 2024 and 2023**

	<b>2023</b>		
	<b>Non-Participant Directed</b>		
	<b>Allocated</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>			
Galois common stock at fair value	\$ 7,904,010	\$ 5,683,990	\$ 13,588,000
Cash and cash equivalents	1,430,512	-	1,430,512
Employer contribution receivable	997,663	-	997,663
<b>Total Assets</b>	<b>10,332,185</b>	<b>5,683,990</b>	<b>16,016,175</b>
<b>Liabilities</b>			
Related party notes payable	-	6,164,587	6,164,587
Loan payments in transit	-	674,178	674,178
<b>Total Liabilities</b>	<b>-</b>	<b>6,838,765</b>	<b>6,838,765</b>
<b>Net Assets (Deficit) Available for Benefits</b>	<b>\$ 10,332,185</b>	<b>\$ (1,154,775)</b>	<b>\$ 9,177,410</b>

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

**Galois, Inc.**  
**Employee Stock Ownership Plan**  
**Statement of Changes in Net Assets (Deficit) Available for Benefits**  
**Year Ended December 31, 2024**

	2024		
	Non-Participant Directed		
	Allocated	Unallocated	Total
<b>Additions to Net Assets Attributed to</b>			
Investment income			
Net appreciation in fair value of investments	\$ 376,355	\$ 1,429,645	\$ 1,806,000
Interest	32,523	-	32,523
Total investment income	408,878	1,429,645	1,838,523
Employer contribution	1,088,578	-	1,088,578
Allocation of 4.662316 shares of Galois common stock	834,555	-	834,555
<b>Total Additions</b>	<b>2,332,011</b>	<b>1,429,645</b>	<b>3,761,656</b>
<b>Deductions from Net Assets Attributed to</b>			
Benefits paid to participants	894,977	-	894,977
Interest expense	-	219,326	219,326
Administrative expenses	208	-	208
Allocation of 4.662316 shares of Galois common stock	-	834,555	834,555
<b>Total Deductions</b>	<b>895,185</b>	<b>1,053,881</b>	<b>1,949,066</b>
<b>Net Increase</b>	<b>1,436,826</b>	<b>375,764</b>	<b>1,812,590</b>
Net assets (deficit) available for benefits - beginning of year	10,332,185	(1,154,775)	9,177,410
<b>Net Assets (Deficit) Available for Benefits - End of Year</b>	<b>\$ 11,769,011</b>	<b>\$ (779,011)</b>	<b>\$ 10,990,000</b>

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

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

#### 1. Description of the Plan

The following description of the Galois, Inc. Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

##### **General**

The Plan is a leveraged employee stock ownership plan (ESOP), established on January 1, 2013 by Galois, Inc. (the Company). The Plan and related trust (the Trust) are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Company is the plan sponsor and acts as the plan administrator. The Plan is designed to comply with sections 401(a) and 4975(e)(7) of the Internal Revenue Code (IRC) and the regulations thereunder. Galois, Inc. Employee Stock Ownership Trust is the trustee of the Plan (the Trustee), and First American Bank is the custodian of the Plan's assets.

In March 2015, the Company contributed 21.7066 shares of the Company's common stock to the ESOP, which were immediately released in full for allocation to participants. In 2017, the Plan purchased 42.2934 shares of Company common stock using the proceeds of loans from the Company. In 2023, the Plan purchased an additional 22.0000 shares of Company common stock using the proceeds of an additional loan from the Company (see Note 5). The loans are being repaid primarily from the Company's contributions to the Plan. The loans are collateralized by unallocated shares of the Company's common stock and are guaranteed by the Company. The Company has no rights against shares once they are allocated under the Plan. Accordingly, the accompanying financial statements present separately assets and liabilities and changes therein pertaining to the accounts of employees with rights under the Plan in allocated Company common stock, whether or not vested (allocated), and Company common stock not yet allocated to employees (unallocated).

On an annual basis, the Plan makes a calculation of the number of shares to be allocated (released) to the account of eligible participants. The calculation of allocated shares is made in accordance with applicable regulations under the IRC and the Plan document.

##### **Unallocated common stock**

The unallocated common stock represents all assets and liabilities of the Plan relating to the leveraging of the Plan and not yet allocated to participants.

##### **Allocated common stock**

The allocated common stock represents the fair value of the ESOP shares allocated to participants' accounts during the year. It represents the number of shares calculated in accordance with applicable regulations under the IRC. It takes into account the debt service provided by the Company's contributions and any dividends received on the unallocated ESOP shares during the year. The release fraction applied to the number of unreleased shares is the principal paid that coincides with the timing of the Company's contributions and interest paid during the Plan year (numerator) divided by the numerator plus an estimate of the remaining future principal and interest to be paid.

During the year ended December 31, 2024, approximately 4.66 shares were released; and as of December 31, 2024 and 2023, approximately 31.31 and 35.98 shares, respectively, remained unallocated. It should be noted that there is no connection as to the number of shares being allocated and the market value of the Corporation's common shares at any given time. Hence, the market value of the stock on the actual day of the allocation (release) to participants' accounts may vary from the fair value as of December 31, 2024 and 2023, as presented in the financial statements.

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

#### Voting rights

All Company common stock held in the Plan shall be voted by the Trustee. Participants are entitled to direct the Trustee to the voting of their allocated Company stock with respect to any vote required for the approval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all of the assets of the Company, or similar transactions. The Trustee shall vote any unallocated Company common stock held by the Plan, as well as any allocated participant Company common stock for which a participant has failed to give timely voting direction.

#### Eligibility

Employees – other than union, non-resident alien, and other non-benefited employees including hourly and temporary employees – are eligible to participate in the Plan upon completion of at least one hour of service during the Plan year if they are at least 18 years of age.

#### Contributions

The Company's contributions are used to fund the Plan's debt service. The debt service funding triggers the release of shares to be allocated to participants' accounts, in accordance with regulations under ERISA, the IRC, and the Plan document. In addition, the Company may make a discretionary contribution to the Plan. During the year ended December 31, 2024, the Company made discretionary contributions to the Plan of \$414,400.

#### Participant accounts

Each participant's account is credited (charged) with allocations of (a) Company contributions, (b) forfeitures of terminated participants' nonvested accounts, (c) Company common stock released as a result of the loan repayments, (d) the Plan's earnings (losses), (e) administrative expenses (if any), and (f) dividends on Company common stock. ESOP allocations are based upon the ratio of the participant's eligible compensation to the total eligible Plan compensation for the Plan year. Dividends earned on allocated Company common stock are credited to participant accounts based upon the ratio of the participant's Other Investment Account to the Plan's total Other Investments as of the allocation date (as defined in the Plan document). Dividends earned on unallocated Company common stock are credited to eligible participant accounts based upon the ratio of the participant's Other Investment Account to the Plan's total eligible Other Investments as of the allocation date. During the year ended December 31, 2024, there were no dividends on Company common stock.

#### Vesting

Vesting in the Plan is based on years of service as follows:

<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less than 1	0%
2	50%
3 or more	100%

In addition, upon death, disability, or retirement at age 65 or older, participants will immediately become 100% vested in their account.

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

#### **Forfeitures**

If a Plan participant terminates service prior to full vesting, the non-vested portion of his or her account is forfeited. Forfeited amounts are re-allocated to remaining participants based upon the ratio of the participant's eligible compensation to the total eligible Plan compensation for the Plan year. Forfeitures allocated for the year ended December 31, 2024 were approximately \$70,000. As of December 31, 2024 and 2023, unallocated forfeited non-vested accounts were not significant to the accompanying financial statements.

#### **Put option**

Pursuant to federal income tax requirements, the Plan contains a put option that is exercisable by the Plan participants, as the Company's common stock is not traded on an established securities market. Specifically, the put option is a right of the participants to require that the Company buy any shares of its stock distributed to participants. Participants have two put option periods each plan year. The first is 60 days beginning on the date that the Company's common stock is distributed to participants, and the second is another 60 day period beginning after the determination of fair market value in the following Plan year. The price paid in the event that the put option is exercised shall be representative of the fair market value of such stock. Payment shall be made within 30 days of the exercise of the put option either in a single lump-sum payment or in substantially equal annual payments, including interest, over a period not to exceed five years.

#### **Benefits**

On termination of service due to death, disability, or retirement, distribution of a participant's (or their beneficiary's) account shall occur as soon as administratively possible but no later than the end of the Plan year following the end of the Plan year in which such event occurs. On termination of service, a participant whose vested Plan accounts total \$1,000 or less will automatically receive a lump-sum amount equal to the value of the vested interest in his or her account. If the terminated participant's balance exceeds \$1,000 but is less than \$7,000, and the participant does not elect to receive a distribution, the Plan permits the plan administrator to make a distribution directly to an individual retirement account set up on the participant's behalf. A participant whose vested Plan accounts exceeds \$7,000 may leave the funds in the Plan for up to six years or elect to receive their vested interest in either a lump-sum distribution, substantially equal installments over a specified period of time not to exceed five years, or any combination of the foregoing. If a participant's vested Plan accounts are more than \$20,000 or the Company has determined that the aggregate of all benefit distributions that could be required to be made under the Plan for the year is more than \$100,000, then the Company will pay all distributions in substantially equal annual installments over a period of years not to exceed five years. The first installment will be the greater of \$20,000 or one-fifth of the participant's vested Plan accounts. Accounts are either distributed in cash, in shares of Company common stock, or partly in each. The Trustee decides the exact form of distribution (i.e., some or all in cash, or some or all in Company common stock). If a distribution is made in Company common stock, the Company shall immediately repurchase the Company common stock at a price equal to the fair market value of the Company common stock as of the allocation date immediately preceding the distribution date, which is independently valued annually. During the year ended December 31, 2024, the Company repurchased 4.246178 shares from participants. However, as of February 2024, the Plan was amended to indicate that no conversion of Company common stock will occur upon distribution during the period beginning on June 30, 2023 and ending on the earlier of (i) December 31, 2025, (ii) the allocation date of the Plan year in which the 2023 ESOP Loan discussed in Note 5 is repaid in full, or (iii) the allocation date of the Plan year in which the fair market value of the Company stock equals or exceeds \$218,000.

#### **Diversification**

Diversification is available to a participant who has completed at least 10 years of participation in the Plan and has attained age 55 so that they may have the opportunity to move part of the value of their investment in Company common stock into investments that are more diversified. Generally, these participants may diversify up to 25% of their account balance during the first 5 years after reaching 55 years of age and up to 50% in the sixth year of diversification. Divestment and reinvestment may occur annually for qualified

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

participants. During the year ended December 31, 2024, a participant elected to diversify 0.2101 shares of Company common stock held in their participant account resulting in a cash distribution in the amount of approximately \$33,000.

#### **Administrative expenses**

At the Company's discretion, administrative expenses of the Plan may be paid directly by the Company or by the Plan. Expenses that are paid by the Company are excluded from the accompanying financial statements. Investment management fees paid by the Plan are offset against net appreciation or included in net depreciation in fair value of investments in the accompanying statement of changes in net assets (deficit) available for benefits.

## **2. Summary of Significant Accounting Policies**

#### **Basis of accounting**

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

#### **Use of estimates**

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

#### **Cash and cash equivalents**

The Plan considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

#### **Investment valuation**

As of December 31, 2024 and 2023, the Plan's investments consisted of Company common stock and were reported at fair value. The Company common stock is independently valued. See Note 3 for discussion of fair value measurements.

#### **Investment income recognition**

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### **Payment of benefits**

Benefits are recorded when paid.

#### **Subsequent events**

Management has evaluated, for potential recognition or disclosure in the financial statements, subsequent events that had occurred through August 12, 2025, which is the date that the financial statements were available to be issued.

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

### 3. Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The hierarchy of fair value valuation techniques under GAAP provides for three levels: Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels for categorizing assets and liabilities under GAAP's fair value measurement requirements are as follows:

- Level 1: Fair value of the asset or liability is determined using unadjusted quoted prices in active markets (that the Plan has the ability to access) for identical assets or liabilities;
- Level 2: Fair value of the asset or liability is determined using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and
- Level 3: Fair value of the asset or liability is determined using unobservable inputs that are significant to the fair value measurement and reflect the Plan's own assumptions regarding the applicable asset or liability.

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

The following is a description of the valuation methodology used for the Plan's assets measured at fair value. There were no changes in the methodologies used as of December 31, 2024 and 2023.

*Company common stock* – The Company common stock is valued at fair value by an independent appraiser. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior year valuations. The appraiser considered historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of the Company's assets and liabilities.

The method above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Management believes that the valuation method used by the Plan is appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements as of the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Plan's assets measured at fair value as of December 31, 2024 and 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>2024</b>				
Company common stock	\$ -	\$ -	\$ 15,394,000	\$ 15,394,000
<b>2023</b>				
Company common stock	\$ -	\$ -	\$ 13,588,000	\$ 13,588,000

### 4. Related Party Transactions

All of the Plan's investments are in Company common stock. The Company is the sponsor of the Plan and paid certain administrative expenses of the Plan during the year ended December 31, 2024. In addition, the plan administrator is a participant in the Plan.

# Galois, Inc.

## Employee Stock Ownership Plan

### Notes to Financial Statements

#### December 31, 2024 and 2023

#### 5. Related Party Notes Payable

In 2017, the Plan entered into loan agreements with the Company for borrowings of \$3,997,721 (the 2017 Loans). The proceeds from the 2017 Loans were used to purchase 42.2934 shares of the Company's common stock. The 2017 Loans have a fixed interest rate of 2.75% and require annual principal and interest payments through May 2027.

In 2023, the Plan purchased 22 shares of Company common stock at a price per share of \$218,000 using the proceeds from an additional bank loan in the amount of \$4,796,000 (the 2023 Loan). The 2023 Loan has a fixed annual interest rate of 3.79% and is repayable in 50 equal annual payments of principal and interest through December 31, 2072.

Future principal and interest payments on the Plan's related party notes payable as of December 31, 2024 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 468,472	\$ 205,706
2026	481,890	192,288
2027	227,699	175,299
2028	39,262	172,221
2029	41,221	170,262
Thereafter	4,451,191	4,642,593
Total	<u>\$ 5,709,735</u>	<u>\$ 5,558,369</u>

#### 6. Plan Termination

Although it has not expressed any intent to do so, the Employer 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 the Plan's termination, participants would become 100% vested in their accounts. Upon termination of the Plan, the Employee Benefits Administration Committee should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell unallocated shares of financed common stock held in the loan suspense account to the extent it determines such sale is necessary in order to repay the related party notes payable.

#### 7. Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated February 15, 2017 that the Plan and the Trust, as then designed, was in accordance with the applicable sections of the IRC. The plan administrator and the Plan's legal counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the Trust is tax-exempt.

GAAP requires Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the accompanying financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### 8. Risks and Uncertainties

The Plan invests in investment instruments which are exposed to certain risks such as interest rate, market, and credit risks. Due to the level of risk associated with the Plan's investments, it is at least reasonably possible that changes in the values of the Plan's investments will occur in the near-term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying financial statements and supplemental schedule. Approximately 89% and 85% of the Plan's total assets were

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invested in Company common stock as of December 31, 2024 and 2023, respectively. The underlying value of the Company common stock is impacted by the financial position and future operations of the Company. Accordingly, this represents a concentration risk to the Plan.

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**Schedule H, Line 4i - Schedule of Assets**  
**(Held at End of Year)**

December 31, 2024

EIN: 93-1278540 Plan Number: 002

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value	
*	Galois, Inc.	Common stock - 86 shares	\$ 9,273,712	\$ 15,394,000

\* A party-in-interest as defined by ERISA.

The independent auditors' report should be read with the supplemental schedule.

