

<p>Form 5500</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p>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).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2024</p> <hr/> <p>This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024

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. ▶

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>RAFFERTYS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>001</u></p>
<p>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) <u>RAFFERTYS, INC.</u></p> <p><u>1750 SCOTTSVILLE ROAD, SUITE 2</u> <u>BOWLING GREEN, KY 42104</u></p>	<p>1c Effective date of plan <u>12/28/1998</u></p> <p>2b Employer Identification Number (EIN) <u>61-0985188</u></p> <p>2c Plan Sponsor's telephone number <u>270-781-2834</u></p> <p>2d Business code (see instructions) <u>722511</u></p>

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.	10/15/2025	DOUGLAS TAULBEE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2025	DOUGLAS TAULBEE
	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 <input checked="" type="checkbox"/> 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	2552
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)	964
	6a(2)	952
	6b	
	6c	1593
	6d	2545
	6e	4
	6f	2549
	6g(1)	2552
6g(2)	2549	
6h	119	
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:
2I 2Q 3I

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)	9b 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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____	(4) <input type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> 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 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 _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024	
A Name of plan RAFFERTYS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 RAFFERTYS, INC.	D Employer Identification Number (EIN) 61-0985188

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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	74652	493318
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	375642	32391
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	34111110	34468295
(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	34561404	34994004
Liabilities			
g Benefit claims payable.....	1g	442470	515015
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	442470	515015
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	34118934	34478989

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)	1715850	
(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)		1715850
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	1806	
(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)		1806
(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)	357184	
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		2074840

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1714785	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1714785
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1714785

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		360055
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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: **KIRBY & MOORE, LLP**

(2) EIN: **47-5648183**

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.)		X	
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	
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.)		X	
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.)		X	
e Was this plan covered by a fidelity bond?	X		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?		X	
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?		X	
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?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
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.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024

A Name of plan <u>RAFFERTYS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAFFERTYS, INC.</u>	D Employer Identification Number (EIN) <u>61-0985188</u>	

Part I	Distributions
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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): <u>61-1102534</u>		
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.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
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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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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:

a 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).....	14a	
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).....	14b	
c 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).....	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	15a	
b The corresponding number for the second preceding plan year	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	16a	
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.....	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

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 _____.

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-0985188 PN 001**

**AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 29, 2024 AND DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rafferty's, Inc. Employee Stock Ownership Plan
Bowling Green, Kentucky

Opinion

We have audited the accompanying financial statements of the Rafferty's, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 29, 2024 and December 31, 2023, and the related statements of changes in net assets available for benefits for the years then ended, 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 available for benefits of the Rafferty's, Inc. Employee Stock Ownership Plan as of December 29, 2024 and December 31, 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Rafferty's, Inc. Employee Stock Ownership 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Rafferty's, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date 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.

Auditor's 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 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Rafferty's, Inc. Employee Stock Ownership 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 Rafferty's, Inc. Employee Stock Ownership 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 audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of December 29, 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 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 generally accepted auditing standards.

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 Department of Labor'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 aspects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Carby & Moore, LLP

Bowling Green, Kentucky
October 15, 2025

FINANCIAL STATEMENTS

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 29, 2024 and December 31, 2023**

	2024	2023
ASSETS		
Investments		
Rafferty's, Inc. common stock	\$ 34,468,295	\$ 34,111,110
Receivables		
Employer contributions	493,318	74,652
Cash	<u>32,391</u>	<u>375,642</u>
Total assets	<u>34,994,004</u>	<u>34,561,404</u>
 LIABILITIES		
Benefit claims payable	<u>515,015</u>	<u>442,470</u>
Total liabilities	<u>515,015</u>	<u>442,470</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 34,478,989</u>	 <u>\$ 34,118,934</u>

See Notes to Financial Statements

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 29, 2024 and December 31, 2023**

	2024	2023
ADDITIONS TO NET ASSETS		
Investment income		
Interest income	\$ 1,806	\$ 481
Net unrealized appreciation in estimated fair value of investments	357,184	7,536,591
Employer contributions	<u>1,715,850</u>	<u>1,483,985</u>
Total additions to net assets	<u>2,074,840</u>	<u>9,021,057</u>
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	<u>1,714,785</u>	<u>1,483,674</u>
Total deductions from net assets	<u>1,714,785</u>	<u>1,483,674</u>
Net increase	360,055	7,537,383
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>34,118,934</u>	<u>26,581,551</u>
End of year	<u>\$ 34,478,989</u>	<u>\$ 34,118,934</u>

See Notes to Financial Statements

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 1. DESCRIPTION OF THE PLAN

The following description of the Rafferty's, Inc. Employee Stock Ownership Plan (Plan) provides only general information. Employees should refer to the Plan for a more complete description. Copies of the Plan are available from the Plan's administrator, Rafferty's, Inc. (Company).

The Company originally established the Plan effective as of December 26, 1998. The Company subsequently amended and restated the Plan effective as of January 1, 2002, January 1, 2014, December 23, 2021, January 1, 2023, and January 1, 2024 to comply with all applicable statutes. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Company's board of directors. The trust department of an independent third party bank is the Plan's trustee.

The Plan purchased 100% of the outstanding common stock of the Company in a leveraged buyout and holds the stock in a trust established under the Plan.

Cash to purchase the stock was borrowed from a commercial lender and the selling stockholders via direct loans to the Company, with a loan from the Company to the Plan (Security Acquisition Loan). The loan used to facilitate the purchase transaction was reflected in the accompanying financial statements of the Plan and collateralized by the unallocated shares of Company stock. The loan from the Company to the Plan was repaid by fully deductible Company contributions to the Plan consisting of scheduled and prepaid debt service. As the loan was repaid, shares held as collateral were released from suspense and allocated to individual participants who completed 500 hours of service during the plan year and were employed by the Company on the last day of the plan year, based on the ratio of their compensation to the total compensation of all participants. Additionally, the Company may, at its discretion, make an additional contribution to the Plan, not to exceed the deductible limits under Code Section 404, to be allocated in the same manner. Shares are also realized when dividends are declared by the Company on all outstanding common stock and allocated to participants in proportion to the levels of stock previously credited to their accounts.

The lender has no rights against shares once they are allocated under the Plan. As of December, 2009, the Security Acquisition Loan was repaid in full and all shares have been allocated to Plan participants.

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

The Plan covers substantially all employees of the Company. Employees of the Company are generally eligible to participate in the Plan on the date of completion of an hour of service. Plan participants receive a year of vesting service for completion of at least 1,000 hours of service in a plan year. A participant with five years of vesting service on December 28, 2009 shall be 100% vested in their accounts. Effective December 28, 2009, the portion of a participant's account vested shall be according to the following vesting schedule:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Participants are also 100% vested in their accounts upon (a) employment by the Company on or after satisfying the age requirement for normal retirement; (b) incurring a disability while employed by the Company; or (c) death while employed by the Company. Prior to Plan year ending December 26, 2021, employer contributions and Plan forfeitures were allocated to each participant's account who had completed 500 hours of service during the plan year and were employed by the Company on the last day of the plan year. Effective for the Plan year ending December 31, 2021 (Second Amendment), the service and employment requirement does not apply to a participant who terminates employment due to death, disability, or retirement on or after reaching normal retirement age. Such participant is eligible to share in the discretionary contribution for the year of such death, disability, or retirement. Allocations are based on a participant's eligible compensation relative to total eligible compensation.

Forfeitures of terminated participants are reallocated to the accounts of remaining Plan participants after the employee incurs five consecutive one-year breaks in service (failure of an employee to complete more than 500 hours of service in any plan year). Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. At December 29, 2024 and December 31, 2023, forfeited non-vested accounts totaling \$184,638 and \$279,658, respectively, were reallocated to the remaining Plan participants.

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to his or her beneficiary or, if none, his or her legal representatives) or otherwise terminates employment with the Company.

For participants who terminate in the event of death, disability or retirement, distributions are made in cash or, if a participant elects, in the form of Company stock. These participants have the right to require repurchase of their shares at the then fair value. Such shares are first offered to the Plan and, if the Plan chooses not to purchase, they must be acquired by the Company.

For participants who terminate for reasons other than death, disability or retirement, account balances will remain in the participant's account until one year after the close of the Plan year which is the fifth Plan year following the Plan year in which the participant terminates employment. In addition, no payments to terminated participants are made until the end of the Plan year following the Plan year in which the Securities Acquisition Loan is repaid; however, payment of a participant's vested ESOP account balance shall not begin later than 60 days after the end of the Plan year in which occurs the later of the participant's termination of employment or attainment of normal retirement age. Additionally, a participant may defer payment of his vested ESOP account until his required beginning date. At that time, the account will be distributed as Company stock in either a lump sum or in five annual installments, plus one year for each \$210,000 or fraction thereof (\$275,000 or fraction thereof, effective January 1, 2024, Fourth Amendment), by which the participant account exceeds \$1,050,000 (\$1,380,000 effective January 1, 2024, Fourth Amendment), unless the participant elects installment payments over a longer period, except for those account balances less than \$1,000, which will be distributed in a single lump sum of stock or if the Company is an S corporation, a lump sum in cash. Upon receipt of the stock, these participants then have the right to require repurchase of their shares at the then fair value. Such shares are first offered to the Plan and, if the Plan chooses not to purchase, they must be acquired by the Company.

Effective January 1, 2024 (Fourth Amendment), if a participant's account exceeds \$1,000 and if the participant terminated employment due to death, disability or reaching normal retirement age, or terminated for any other reason and subsequently dies, becomes disabled, or reaches normal retirement age, payment shall be made in a lump sum payment in cash or Company stock, as applicable. If a participant is taking installment payments as of the effective date of this amendment and has reached, or subsequently reaches, normal retirement age, dies or becomes disabled, the participant or beneficiary, if applicable, will have the option to continue the installment or to take a lump sum payment of the remainder of the account balance.

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

Estimated future cash requirements for shares to be repurchased from Plan participants expected to terminate or retire in the next five years, based on an ESOP repurchase liability study prepared by FORVIS, in May, 2023 are as follows:

2025	\$ 1,597,679
2026	2,114,325
2027	2,098,383
2028	2,401,519
2029	2,697,086

Diversification is offered to Plan participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. During each annual election period in the qualified election period, participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25% of the total number of shares of Company stock contributed to the Plan that have ever been allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. The annual election period begins on the first day following the end of each Plan year in the qualified election period and ends sixty days after the date that the value of the shares subject to the diversification election is provided to the participant. Such distribution must be made within sixty days after the last day of the annual election period. Effective for diversification distributions made on or after January 1, 2023 (Third Amendment), a participant who continues employment on and after reaching age 65 shall have a continuing annual election to receive up to 50% of participant's account from the Plan year participant attains age 65 until the Plan year participant terminates employment.

In matters involving major Company transactions, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time such rights are to be exercised. Other corporate matters are voted by the trustee in accordance with instructions from the Plan's investment committee.

The Company reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by Plan terms and ERISA.

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Fiscal Year

The Plan's fiscal year is the 52- or 53-week period ending on the Sunday that falls on or immediately precedes the December 31 of the calendar year. Fiscal years 2024 and 2023 include 52 and 53 weeks, respectively.

Investment Valuation

The common shares of the Company are valued at fair value on December 29, 2024 and December 31, 2023. Fair value is determined by an annual independent appraisal. See Note 3 for discussion of fair value measurements.

Use of Estimates

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

Plan Tax Status

The Plan obtained its latest determination letter on March 18, 2016, in which the Internal Revenue Service (IRS) stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax exempt as of the financial statement date.

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken a significant uncertain position that more likely than not would not 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. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2021.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

The Plan's management has evaluated subsequent events through October 15, 2025, which is the date the financial statements were available to be issued.

NOTE 3. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The following tables present fair value measurement information for the Plan's investments in Company common stock:

	<u>Fair Value</u>	<u>Fair Value Measurements at the End of the Reporting Period Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
December 29, 2024				
Rafferty's, Inc. common stock	<u>\$ 34,468,295</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 34,468,295</u>
December 31, 2023				
Rafferty's, Inc. common stock	<u>\$ 34,111,110</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 34,111,110</u>

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 3 Fair Value Measurements

The fair value of the Company common stock held by the Plan is based on an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account significant unobservable inputs including historical and projected cash flow and net earnings, financial ratio analysis, cost of equity, weighted average cost of capital, market comparables, and applicable discounts and premiums.

Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. The Company's Board of Directors determines the fair value measurement policies and procedures in consultation with the Company's chief financial officer. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

The following tables provide further details of this Level 3 fair value measurement.

	<u>Valuation Techniques</u>	<u>Unobservable Input</u>
Rafferty's, Inc. common stock	Income: Discounted cash flow	EBITDA margin Net cash flow to invested capital Weighted-average cost of capital Long-term revenue growth rate Long-term operating profit margin Discount and capitalization rates Discount for lack of marketability
	Market: Guideline transaction	Public comparables EBITDA multiple Revenue multiple Discount for lack of marketability
	Guideline public company	Public comparables EBITDA multiple Revenue multiple Discount for lack of marketability

Rafferty's, Inc. Common Stock

Year Ended December 29, 2024

Beginning balance	\$ 34,111,110
Total gains or losses for the period included in changes in net assets available for benefits	<u>357,184</u>
Ending balance	<u>\$ 34,468,294</u>
Change in unrealized gains or losses for the period included in changes in net assets available for benefits for assets held at the end of the reporting period	<u>\$ 357,184</u>

RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Year Ended December 31, 2023

Beginning balance	\$ 26,574,519
Total gains or losses for the period included in changes in net assets available for benefits	<u>7,536,591</u>
Ending balance	<u>\$ 34,111,110</u>
Change in unrealized gains or losses for the period included in changes in net assets available for benefits for assets held at the end of the reporting period	<u>\$ 7,536,591</u>

Gains and losses included in changes in net assets available for benefits for the years ended December 29, 2024 and December 31, 2023 are reported in net unrealized appreciation (depreciation) in fair value of investments.

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 29, 2024 and December 31, 2023, there were no significant transfers into or out of Level 3.

NOTE 4. ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by the trustee of the Plan.

Company contributions are held and managed by the Plan trustee, who invests cash received, interest and dividend income and makes distributions, if any, to participants.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses are paid directly by the Company.

**RAFFERTY’S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 29, 2024 and December 31, 2023**

NOTE 5. INVESTMENTS

The Plan’s investments in Company common stock at December 29, 2024 and December 31, 2023, are as follows:

	<u>2024</u> <u>Allocated</u>	<u>2023</u> <u>Allocated</u>
Number of shares of Rafferty’s, Inc. common stock	<u>1,785,922</u>	<u>1,785,922</u>
Cost	<u>\$ 51,907,967</u>	<u>\$ 49,397,491</u>
Estimated fair value	<u>\$ 34,468,295</u>	<u>\$ 34,111,110</u>

NOTE 6. EMPLOYER CONTRIBUTIONS

The Company, at its discretion, may make contributions in any amount the Company determines in the form of cash, Qualified Employer Securities, or other property.

NOTE 7. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common stock, a related party and party-in-interest (ERISA). As described in Note 4, the Company pays the administrative expenses of the Plan. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

NOTE 8. RISKS AND UNCERTAINTIES

The Plan investments consist primarily of the Company’s common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-0985188 PN 001**

**SCHEDULE H, LINE 4i – SCHEDULE OF
ASSETS HELD AT END OF YEAR
December 29, 2024**

<u>Issuer</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
Rafferty's, Inc.	Common stock; no par value	<u>\$ 51,907,967</u>	<u>\$ 34,468,295</u>

**RAFFERTY'S, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-0985188 PN 001**

**SCHEDULE H, LINE 4i – SCHEDULE OF
ASSETS HELD AT END OF YEAR
December 29, 2024**

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