

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">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 style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; text-align: center;">2024</p> <hr/> <p style="text-align: center;">This Form is Open to Public Inspection</p>
---	---	---

Part I Annual Report Identification Information
 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.

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</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>RUDY'S MARKET, INC.</u></p> <p><u>1121 NW NEWPORT AVE</u> <u>BEND, OR 97703</u></p>	<p>1c Effective date of plan <u>01/01/2015</u></p> <p>2b Employer Identification Number (EIN) <u>93-1068761</u></p> <p>2c Plan Sponsor's telephone number <u>541-382-3940</u></p> <p>2d Business code (see instructions) <u>445110</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	LAUREN G. D. REDMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <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	132
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)	107
	6a(2)	92
	6b	1
	6c	24
	6d	117
	6e	1
	6f	118
	6g(1)	115
6g(2)	114	
6h	10	
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 2P 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

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 RUDY'S MARKET, INC.	D Employer Identification Number (EIN) 93-1068761

Part I	Asset and Liability Statement
---------------	--------------------------------------

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)	0	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	12673	12565
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	239335	251912
(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)	13270000	14800000
(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	13522008	15064477
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	947498	837904
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	947498	837904
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	12574510	14226573

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)	577681	
(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)		577681
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	12469	
(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)		12469
(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)	1530000	
(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		2120150

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	420507	
(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)		420507
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		46440
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)	1140	
(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)		1140
j Total expenses. Add all expense amounts in column (b) and enter total	2j		468087

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1652063
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: **JONES & ROTH PC**

(2) EIN: **93-0819646**

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.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RUDY'S MARKET, INC.</u>	D Employer Identification Number (EIN) <u>93-1068761</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1		0
---	--	---

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): 58-1428634

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

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... Yes No N/A

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

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

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

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

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 _____.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

For the Years Ended December 31, 2024 and 2023



RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
For the Years Ended December 31, 2024 and 2023

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 3
Financial Statements:	
Statements of Net Assets Available for Benefits	4 - 5
Statements of Changes in Net Assets Available for Benefits	6 - 7
Notes to Financial Statements	8 - 16
Supplemental Schedule:	
Schedule of Assets Held for Investment Purposes - Schedule H, Line 4i	17

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Advisory Committee
Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust
Bend, Oregon

Opinion

We have audited the accompanying financial statements of Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust, 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 31, 2024 and 2023, 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 Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust as of December 31, 2024 and 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 Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust'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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for a reasonable period of time.

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

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 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 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 respects, 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.

A handwritten signature in black ink that reads "Jones & Roth P.C." with a stylized ampersand between the names.

Jones & Roth, P.C.
Bend, Oregon
October 10, 2025

FINANCIAL STATEMENTS

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 December 31, 2024 and 2023

	2024		
	Allocated	Unallocated	Total
Assets			
Investment in Rudy's Markets, Inc. common stock, at estimated fair value	\$ 8,568,870	\$ 6,231,130	\$ 14,800,000
Cash equivalents	251,912	-	251,912
Distribution receivable	11,608	-	11,608
Income receivable	957	-	957
	<u>8,833,347</u>	<u>6,231,130</u>	<u>15,064,477</u>
Total assets			
Liabilities			
ESOP loans payable	<u>-</u>	<u>837,904</u>	<u>837,904</u>
Net assets available for benefits	<u>\$ 8,833,347</u>	<u>\$ 5,393,226</u>	<u>\$ 14,226,573</u>

2023		
<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
\$ 6,834,155	\$ 6,435,845	\$ 13,270,000
239,335	-	239,335
11,608	-	11,608
<u>1,065</u>	<u>-</u>	<u>1,065</u>
<u>7,086,163</u>	<u>6,435,845</u>	<u>13,522,008</u>
<u>-</u>	<u>947,498</u>	<u>947,498</u>
<u>\$ 7,086,163</u>	<u>\$ 5,488,347</u>	<u>\$ 12,574,510</u>

The accompanying notes are an integral part of these statements.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2024 and 2023

	2024		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to net assets attributed to			
Investment income (loss):			
Net change in estimated fair value of common stock	\$ 787,963	\$ 742,037	\$ 1,530,000
Interest income	12,469	-	12,469
Total investment income (loss)	800,432	742,037	1,542,469
Employer contributions	421,647	156,034	577,681
Allocation of 63,970 and 36,241 shares in 2024 and 2023 of Rudy's Markets, Inc. common stock, at estimated fair value	946,752	-	946,752
Total additions	<u>2,168,831</u>	<u>898,071</u>	<u>3,066,902</u>
Deductions from net assets attributed to			
Interest expense	-	46,440	46,440
Distributions paid to participants	420,507	-	420,507
Administrative expenses	1,140	-	1,140
Allocation of 63,970 and 36,241 shares in 2024 and 2023 of Rudy's Markets, Inc. common stock, at estimated fair value	-	946,752	946,752
Total deductions	<u>421,647</u>	<u>993,192</u>	<u>1,414,839</u>
Net increase (decrease) in assets available for benefits	1,747,184	(95,121)	1,652,063
Net assets available for benefits, beginning of year	<u>7,086,163</u>	<u>5,488,347</u>	<u>12,574,510</u>
Net assets available for benefits, end of year	<u>\$ 8,833,347</u>	<u>\$ 5,393,226</u>	<u>\$ 14,226,573</u>

2023		
<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
\$ (38,302)	\$ (41,699)	\$ (80,001)
<u>14,746</u>	<u>-</u>	<u>14,746</u>
(23,556)	(41,699)	(65,255)
560,583	82,143	642,726
<u>480,923</u>	<u>-</u>	<u>480,923</u>
<u>1,017,950</u>	<u>40,444</u>	<u>1,058,394</u>
-	49,080	49,080
661,300	-	661,300
840	-	840
<u>-</u>	<u>480,923</u>	<u>480,923</u>
<u>662,140</u>	<u>530,003</u>	<u>1,192,143</u>
355,810	(489,559)	(133,749)
<u>6,730,353</u>	<u>5,977,906</u>	<u>12,708,259</u>
<u>\$ 7,086,163</u>	<u>\$ 5,488,347</u>	<u>\$ 12,574,510</u>

The accompanying notes are an integral part of these statements.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The following description of Rudy's Markets, Inc. Employee Stock Ownership Plan and Trust (the Plan) is provided for general purposes only. Participants should refer to the Employee Stock Ownership Plan (ESOP) Plan Agreement for a complete description of the Plan's provisions.

General

Rudy's Markets, Inc. (the Company) established the Plan effective January 1, 2015. The Plan was designed and operates, in relevant part, as a leveraged ESOP and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Advisory Committee. GreatBanc Trust Company serves as the independent trustee of the Plan. The Advisory Committee and Trustee oversee governance of the Plan. The Plan's most recent amendment was effective January 1, 2020.

On September 28, 2015, the Plan purchased 91 shares of the Company's common stock through seller-financed notes (see Note 7) guaranteed by the Company and holds the stock in a trust established under the Plan. The note is to be repaid by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The 91 shares of the Company's common stock, which represents a 100 percent interest in the Company, became 1,000,000 shares through a stock split in 2020.

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of and for the years ended December 31, 2024 and 2023 present separately the assets and liabilities and changes therein pertaining to a) the accounts of employees with rights in allocated stock (allocated) and b) stock not yet allocated to employees (unallocated).

Eligibility

Employees of the Company and any participating employers, other than ineligible employees as defined by the Plan Agreement, are eligible to participate in the Plan on the January 1 or July 1 entry date following attainment of 21 years of age and one year of service, providing they worked at least 1,000 hours during such Plan year. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are not eligible for an allocation of Company contributions for such year. Participants who were acquired from the Terrebonne location on January 2, 2020 became eligible upon acquisition if they had attained 21 years of age and worked at least 1,000 hours in 2019.

Contributions

The Company is generally obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Participants are not required or permitted to make contributions to the Plan.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Payment of Benefits

No distributions from the Plan, other than diversification payments, will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to their beneficiary or, if none, their legal representatives), or otherwise terminates employment with the Company. Because the Company is an S-corporation for federal income tax purposes, the distribution of a participant's vested interest may be made entirely in cash without granting the participant the right to demand distribution in Company stock. Alternatively, Company stock may be distributed subject to the requirement that it be resold to the trust under the Plan.

The trustee may determine to distribute a participant's vested interest in substantially equal installments over a period not to exceed five years if the vested interest exceeds \$5,000. If a participant's vested interest does not exceed \$5,000, the distribution will be made in a lump sum, unless the participant elects to roll the distribution into another qualified retirement plan.

Under the provisions of the Plan, the Company is obligated to repurchase or redeem participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. 100 percent of shares which would have been distributed for the years ended December 31, 2024 and 2023 were repurchased.

As of December 31, 2024 and 2023, the vested account values of employees who had terminated employment but not yet received distributions totaled \$1,015,467 and \$642,424, respectively.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account on any corporate matter involving the approval or disapproval of any merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business or similar transaction specified in regulations under Section 409(e)(3) of the IRC and is notified by the trustee prior to the time that such rights are to be exercised. The trustee may vote allocated shares for which voting direction is not provided together with unallocated shares. The trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries. Under certain unusual conditions, the trustee may override the voting directions and vote allocated shares at their own discretion, but only if in the best interest of all the participants.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on the ratio of a participant's eligible compensation for the Plan year to the total eligible compensation of all participants for the Plan year.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service with the Company. Beginning with their second year of service, participants vest 20 percent per year of service and are 100 percent vested after six years of service.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase, with interest, over a period not to exceed five years. The purpose of the put option is to ensure participants have the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to transfer a portion of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least ten 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 percent of the number of shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage available increases to 50 percent.

Segregation

Effective January 1, 2018, if a participant's account exceeds \$5,000 upon termination, then their account is segregated after the end of the Plan year in which they terminated, provided there are sufficient non-Employer stock assets in the Trust. The Company funds the Trust to convert the participant's Employer stock balance to cash at the share price effective for the participant's year of termination. At December 31, 2024 and 2023, there were segregated balances of \$192,934 and \$217,641, respectively.

Forfeitures

The Company contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2024 and 2023 totaled \$15,663 and 3,074 shares and \$74,211 and -0- shares, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Administrative Expenses

Substantially all expenses of maintaining the Plan, including administrative and professional fees, are paid by the Company and are therefore excluded from these financial statements. Certain administrative expenses may be paid from Plan assets at the trustee's election.

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 accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the year in which debt service is actually paid.

Investment Valuation and Income Recognition

The shares of Company common stock are reported at estimated fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net change in estimated fair value includes the Plan's gains and losses on Company stock bought and sold as well as held during the year. Dividend income, if any, is accrued on the ex-dividend date. Interest income is recorded on the accrual basis.

Benefit Payments

Benefits are recorded when paid.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Recent Accounting Standard Adopted

On January 1, 2023, the Plan adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments, and all related amendments* (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the statements of net assets available for benefits. The financial assets held by the Plan that are subject to ASC 326 are employer contributions receivable and other receivables.

The Plan adopted ASC 326 effective January 1, 2023. There was no impact to the financial statements as a result of adopting this standard.

3. Tax Status

The Plan has applied for, but not yet received, a determination letter from the Internal Revenue Service. The Plan Administrator and the Plan's counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and therefore the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax years in process.

4. Administration of Plan Assets

The Plan's assets, which consist principally of Company common shares, are held by the trustee of the Plan. Company contributions are held and managed by the trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company. Additionally, an appointed third-party recordkeeping company, Blue Ridge ESOP Associates, performs various administrative and recordkeeping functions for the Plan.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

5. Investments

The Plan's investments at December 31, 2024 and 2023, are presented in the following tables. All investments are nonparticipant directed.

	2024	
	Allocated	Unallocated
Rudy's Markets, Inc. common shares:		
Number of shares	578,978	421,022
Cost	\$ 1,013,207	\$ 736,786
Estimated fair value	\$ 8,568,870	\$ 6,231,130
	2023	
	Allocated	Unallocated
Rudy's Markets, Inc. common shares:		
Number of shares	515,008	484,992
Cost	\$ 901,260	\$ 848,733
Estimated fair value	\$ 6,834,155	\$ 6,435,845

6. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

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

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

The asset'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 their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Rudy's Markets, Inc. common stock: The fair value of the Company common stock 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, weighted average cost of capital, market comparables, and applicable discounts and premiums. Plan management accumulates the necessary data for the appraiser from the financial statements of the Company prepared by management and reviewed by a third-party accounting firm. The appraiser prepares a preliminary report which the Plan Trustee and Plan management, under the supervision of the Company's Board of Directors, review in detail and the trustee approves.

Cash equivalents: Level 2 cash and cash equivalents are comprised of shares in a cash equivalent mutual fund which is valued at the contract value of shares held, which approximates fair value.

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

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

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Rudy's Markets, Inc. common stock	\$ -	\$ -	\$ 14,800,000	\$ 14,800,000
Cash equivalents	-	251,912	-	251,912
Total assets at fair value	<u>\$ -</u>	<u>\$ 251,912</u>	<u>\$ 14,800,000</u>	<u>\$ 15,051,912</u>

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Rudy's Markets, Inc. common stock	\$ -	\$ -	\$ 13,270,000	\$ 13,270,000
Cash equivalents	-	239,335	-	239,335
Total assets at fair value	<u>\$ -</u>	<u>\$ 239,335</u>	<u>\$ 13,270,000</u>	<u>\$ 13,509,335</u>

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

7. ESOP Loans Payable

In 2015, the Plan entered into a \$500,000 loan agreement with the Company as part of a transaction to purchase all of the Company's outstanding common stock from the shareholders of the Company. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid in principal and interest installments over 15 years. The interest rate is fixed at 2.64 percent. At December 31, 2024 and 2023, the balance of the loan was \$223,275 and \$257,210, respectively.

In 2015, the Plan entered into a \$637,496 loan agreement with a former shareholder of the Company to purchase 46.6 shares of the Company's outstanding common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years. Principal and interest installments were made through September 2016, when a balloon payment in the amount of \$260,838 was made. The loan is payable in interest only installments, fixed at 6.00 percent through February 2024. Principal and interest installments commence in March 2024 through maturity in October 2030. At December 31, 2024 and 2023 the balance of the loan was \$313,460 and \$352,046, respectively.

In 2015, the Plan entered into a \$612,497 loan agreement with a former shareholder of the Company to purchase 44.7 shares of the Company's outstanding common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years. Principal and interest installments were made through September 2016, when a balloon payment in the amount of \$250,610 was made. The loan is payable in interest only installments, fixed at 6.00 percent through February 2024. Principal and interest installments commence in March 2024 through maturity in October 2030. At December 31, 2024 and 2023, the balance of the loan was \$301,169 and \$338,241, respectively.

The scheduled amortization of the note principal for all agreements for the next five years and thereafter is as follows:

2025		\$	126,581
2026			133,159
2027			140,111
2028			147,458
2029			155,224
Thereafter			<u>135,371</u>
Total		\$	<u>837,904</u>

8. Related Party and Party-in-Interest Transactions

For the 2024 Plan year, total debt service payments of \$156,034 were paid to the Company including \$46,440 of interest and \$109,594 of principal. For the 2023 Plan year, total debt service payments of \$82,143 were paid to the Company including \$49,080 of interest and \$33,063 of principal. These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA. The Plan's service providers are additional parties in interest under ERISA.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

9. 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 statements of net assets available for benefits.

10. Plan Termination

Although it has no plans to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Advisory Committee shall direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. Upon full or partial termination of the Plan, all affected participants become fully vested in their accounts.

11. Plan Corrections

According to the terms of the Plan document, the Plan is to follow the 52/53-week year of the Company, which would be the periods from December 31, 2023 through December 28, 2024 and January 1, 2023 through December 30, 2023. Plan administration has been completed on a calendar year basis in 2024 and 2023 and in preceding years since 2016. Management is working with ERISA counsel to take appropriate corrective action to align written Plan document terms with the actual administration and filings of the Plan. Total net corrections to participant accounts at December 31, 2024 and 2023 were \$-0- and \$420, respectively. The Plan was amended effective January 1, 2025 to formally change the Plan year end.

12. Subsequent Events

Management evaluates events and transactions that occur after the statement of net assets available for benefits date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SUPPLEMENTAL SCHEDULE

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES - Schedule H, Line 4i
December 31, 2024

Employer Identification Number: 93-1068761

Plan Number: 002

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Maturity Value	(d) Cost	(e) Current Value
	Goldman Sachs Final Sq Govt Fd	Cash equivalents	\$ 251,912	\$ 251,912
*	Rudy's Markets, Inc.	Common stock (1,000,000 shares)	<u>1,749,993</u>	<u>14,800,000</u> **
	Total assets held for investment purposes		<u>\$ 2,001,905</u>	<u>\$ 15,051,912</u>

* The issuer of this stock is the sponsor of the Plan and thus is considered a party-in-interest.

** This figure represents original acquisition cost and is not equivalent to the adjusted basis of the S corporation stock.

RUDY'S MARKETS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES - Schedule H, Line 4i
December 31, 2024

Employer Identification Number: 93-1068761

Plan Number: 002

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Maturity Value	(d) Cost	(e) Current Value
	Goldman Sachs Final Sq Govt Fd	Cash equivalents	\$ 251,912	\$ 251,912
*	Rudy's Markets, Inc.	Common stock (1,000,000 shares)	<u>1,749,993</u>	<u>14,800,000</u> **
	Total assets held for investment purposes		<u>\$ 2,001,905</u>	<u>\$ 15,051,912</u>

* The issuer of this stock is the sponsor of the Plan and thus is considered a party-in-interest.

** This figure represents original acquisition cost and is not equivalent to the adjusted basis of the S corporation stock.