

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [] Form 5558 [] automatic extension [] the DFVC program [X] special extension... E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here...

Part II Basic Plan Information—enter all requested information

1a Name of plan: 3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 01/01/2013
2a Plan sponsor's name (employer, if for a single-employer plan): 3LS, INC.
2b Employer Identification Number (EIN): 47-3407777
2c Plan Sponsor's telephone number: 615-726-3603
2d Business code (see instructions): 624100

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.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include: 1. Filed with authorized/valid electronic signature, 11/03/2025, SUSAN LILLY (plan administrator); 2. Filed with authorized/valid electronic signature, 11/03/2025, SUSAN LILLY (employer/plan sponsor); 3. Signature of DFE, Date, Enter name of individual signing as DFE.

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

Form 5500 (2024) v. 240311

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	608
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)	515
	6a(2)	500
	6b	17
	6c	68
	6d	585
	6e	2
	6f	587
	6g(1)	562
6g(2)	578	
6h	44	
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 3H 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 0
- (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 _____
- (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 C (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>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<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 **12/31/2024**

A Name of plan 3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 3LS, INC.	D Employer Identification Number (EIN) 47-3407777	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <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
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan 3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 3LS, INC.	D Employer Identification Number (EIN) 47-3407777

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	4350740	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	1581899	1670900
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	714885	95439
(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)	128440000	141679431
(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	135087524	143445770
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	21404210	
j Other liabilities.....	1j		21034526
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	21404210	21034526
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	113683314	122411244

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)	1680679	
(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)		1680679
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	178080	
(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)		178080
(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)	13240000	
(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		15098759

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	939197	
(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)		939197
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		896836
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		1836033

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		13262726
l Transfers of assets:			
(1) To this plan	2l(1)		526812
(2) From this plan	2l(2)		5061608

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: UHY LLP

(2) EIN: 20-0694403

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)
3LS, INC. 401(K) PLAN	47-3407777	001

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 12/31/2024

A Name of plan <u>3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>3LS, INC.</u>	D Employer Identification Number (EIN) <u>47-3407777</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		0
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2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
 EIN(s): 46-7150924

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	
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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)? 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 _____.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULE**

**December 31, 2024 and 2023 and
Year Ended December 31, 2024**

3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
3LS, Inc. Employee Stock Ownership Plan and Trust

Opinion

We have audited the accompanying financial statements of the 3LS, 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, and the related statement of changes in net assets available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the 3LS, 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 year ended December 31, 2024, 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 the 3LS, 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the due from related plan balance was understated in previously issued financial statements. Our opinion is not modified with respect to that matter.

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 the 3LS, 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.

Responsibilities of Management for the Financial Statements (Continued)

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 the 3LS, 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 the 3LS, 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 of assets (held at end of year) 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 schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

UHY LLP

Nashville, Tennessee
October 30, 2025

3LS, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2024			December 31, 2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,350,376	\$ -	\$ 4,350,376
Mutual funds	95,439	-	95,439	715,262	-	715,262
Due from related plans	1,670,932	-	1,670,932	1,581,918	-	1,581,918
Investment in 3LS, Inc. common stock, at fair value	<u>58,801,714</u>	<u>82,877,717</u>	<u>141,679,431</u>	<u>50,722,181</u>	<u>77,717,819</u>	<u>128,440,000</u>
Total assets	<u>60,568,085</u>	<u>82,877,717</u>	<u>143,445,802</u>	<u>57,369,737</u>	<u>77,717,819</u>	<u>135,087,556</u>
LIABILITIES						
Note payable	<u>-</u>	<u>21,034,526</u>	<u>21,034,526</u>	<u>-</u>	<u>21,404,210</u>	<u>21,404,210</u>
Total liabilities	<u>-</u>	<u>21,034,526</u>	<u>21,034,526</u>	<u>-</u>	<u>21,404,210</u>	<u>21,404,210</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$60,568,085</u>	<u>\$61,843,191</u>	<u>\$ 122,411,276</u>	<u>\$ 57,369,737</u>	<u>\$ 56,313,609</u>	<u>\$ 113,683,346</u>

3LS INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Investment Income			
Interest-bearing cash	\$ 178,080	\$ -	\$ 178,080
Net appreciation in fair value of investments	5,219,057	8,020,943	13,240,000
Contributions			
Employer	414,159	1,266,520	1,680,679
Allocation of 80,774.85 shares of 3LS, Inc. common stock, at fair value	<u>2,861,045</u>	<u>-</u>	<u>2,861,045</u>
Total additions	<u>8,672,341</u>	<u>9,287,463</u>	<u>17,959,804</u>
DEDUCTIONS			
Interest expense	-	896,836	896,836
Distributions to participants	939,197	-	939,197
Allocation of 80,774.85 shares of 3LS, Inc. common stock, at fair value	<u>-</u>	<u>2,861,045</u>	<u>2,861,045</u>
Total deductions	<u>939,197</u>	<u>3,757,881</u>	<u>4,697,078</u>
NET CHANGE	7,733,144	5,529,582	13,262,726
Transfer of assets from related plan	526,812	-	526,812
Transfers to related plan	(5,061,608)	-	(5,061,608)
NET ASSETS AVAILABLE FOR BENEFITS			
Beginning	<u>57,369,737</u>	<u>56,313,609</u>	<u>113,683,346</u>
Ending	<u>\$ 60,568,085</u>	<u>\$ 61,843,191</u>	<u>\$ 122,411,276</u>

See notes to financial statements.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 — Plan Description and Basis of Presentation

The following brief description of the 3LS, Inc. Employee Stock Ownership Plan and Trust (the “Plan”), is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

General

3LS, Inc. (the Company) established the Plan effective as of January 1, 2013, and has since restated the Plan. The Plan has been amended since inception and operates as a leveraged employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by 3LS, Inc., and the trustee of the Plan is Great Banc Trust Company.

In 2013, 5,000 shares of Omni Visions, Inc. common stock were contributed to the Plan. Additionally, on December 17, 2013, the Plan purchased 35,000 shares of Omni Visions, Inc. common stock for \$200 per share (for an aggregate purchase price of \$7,000,000), using the proceeds of a related party borrowing. Lastly and also in 2013, the Company declared a stock split of 100 to 1, which brought the total outstanding share quantity held by the Plan to 4,000,000. The common stock is held in a trust established under the Plan.

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by 3LS, Inc. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to participant accounts in accordance with applicable regulations under the IRC. The lender has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024, and 2023, and for the year ended December 31, 2024, present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with rights in allocated common stock (allocated), and
- b. Common stock not yet allocated to employees (unallocated).

On July 1, 2015, related to the entity reorganization and name change of Omni Visions, Inc. to 3LS, Inc., the Plan exchanged the Omni Visions, Inc. shares for equal shares of 3LS, Inc. common stock.

Plan Amendments

Effective January 1, 2023, the plan was amended to include HopeNation Counseling, Inc. and its employees and participants in the plan. The plan was also amended to provide that as of August 1, 2023, employees are eligible to participate in the plan at age 21 and after six months of employment and 500 hours of service, with quarterly entry dates.

Effective January 1, 2024, the plan was amended to change the deadline for participants to notify the plan that they want to diversify and to increase the settlement limits for diversification funds from \$5,000 to \$7,000.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 — Plan Description and Basis of Presentation (Continued)

Eligibility

The Plan covers all eligible employees of the Plan sponsor, 3LS, Inc. (the "Company"), and its affiliates that have adopted the plan, which includes 3LS Properties, Inc., Omni Family of Services, Inc. (OFS), OFS includes wholly-owned subsidiaries Omni Visions, Inc. (OVI) Omni Community Health, Inc. (OCH), Omni Family Institute (OFI), Omni Family of Services of North Carolina, Inc (OFS NC), Omni Family of Services of Kentucky, Inc (OFS KY), Omni Family of Services of Indiana, Inc (OFS IN) and Omni Family of Services of Ohio, Inc (OFS OH). 3LS Ventures, Inc. (3LSV) includes a wholly-owned subsidiary, HopeNation, Inc. (HN). 3LSV has wholly-owned subsidiaries with Attend Behavior, Inc (Attend), and majority-owned subsidiaries Bounceback, LLC (BB) that are included in the plan, but have employees that belong to 3LS, Ventures, Inc. Lastly, 3LSV has a wholly-owned subsidiary, 5by5, Inc., that is excluded from the plan until January 1, 2025.

Participants are generally eligible to participate in the plan within the first six months of employment provided they worked at least 500 hours during the plan year and had attained age 21. The plan has initial quarterly entry periods where participants can join the plan, January 1, April 1, July 1, or October 1. If eligibility is not met within the first six months of employment, participants must work at least 1,000 hours of service during the plan year and be employed on the last working day of the plan year to be eligible for an allocation of Company contributions for such year. The plan has entry dates of January 1 and July 1 for participants meeting eligibility through this requirement.

Contributions

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

Participant Accounts and Forfeitures

The number of shares allocated to each eligible participant's account is determined by calculating the participant's annual eligible compensation as a percentage of the total annual eligible compensation of all other participants. Eligible compensation is capped by Internal Revenue Service (IRS) limits on the amount of compensation that can be recognized by a qualified plan for the calendar year. The Company contributed cash to the Plan in the amount of \$1,673,521. Additionally, \$398,887 was funded by forfeitures, and \$127,931 was transferred for rehired admitted back into the plan. The amount contributed by the Company is based on the scheduled debt payment for the year ended December 31, 2024.

The Plan also includes a matching contribution based on the participant's deferral percentage in the related 3LS, Inc. 401(k) Plan. The deferral percentage will be matched dollar for dollar on the first 3% of deferral in the related plan and will be matched at the rate of \$0.50 for any percentage exceeding the first 3%, up to a total of 5%, of the deferral in the related plan. Therefore, the maximum matching contribution in ESOP shares will not exceed 4%. Of the \$1,673,521 total contributions made, \$789,904 were for matching contributions to the Plan for the year ended December 31, 2024.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 — Plan Description and Basis of Presentation (Continued)

Cash Dividends

Any cash dividends, as determined by the Company, payable on the Company stock allocated to the participants' accounts, are paid in cash by the Trustee to such participants on a non-discriminatory basis, or the Company may pay dividends directly to the participants. Such distributions of cash dividends, if any, are limited in accordance with the provisions of the Plan.

Payment of Benefits

Distributions from the Plan are made when a participant reaches 65 years of age, retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), is deemed disabled, diversifies or otherwise terminates employment with the Company. Distributions are made in cash according to the terms of the Plan, and the amount to be distributed is based upon the immediately preceding valuation date. Under the provisions of the Plan, the Company is obligated to repurchase 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.

Amounts allocated to accounts of persons who will receive a distribution in subsequent years from the Plan but have not yet been paid were \$21,777,351 and \$17,465,376 as of December 31, 2024, and 2023, respectively.

Transfers to Related Plan

In accordance with the plan document, the balances of terminated participants in excess of \$7,000 are transferred to the Company's 401(k) Plan. The balances are still subject to all of the distribution and vesting stipulations of the Employee Stock Ownership Plan and Trust. When distributions are permitted, vested portions will be distributed from the 401(k) Plan to participants and nonvested portions will be transferred back to the Employee Stock Ownership Plan.

Administrative Expenses

Administrative expenses consist of third-party administrative fees and other professional fees. There were no administrative fees paid by the Plan sponsor.

Voting Rights

The Trustee votes the shares of the Company stock held in the trust fund. As to certain matters, as defined by the IRC, each participant is entitled to direct the Trustee as to how to vote the shares allocated to his or her account. The Trustee determines in its discretion how to vote the shares of the Company stock which are not allocated to any participant account and the shares of allocated Company stock with respect to which no directions are received from the participants.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 — Plan Description and Basis of Presentation (Continued)

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' non-vested 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 employer matching contributions determined by 401(k) plan deferrals (see Contributions), and then based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting

Vesting begins two years after initial eligibility and starts at 20 percent, and then vests at an additional 20 percent each year before fully vesting after the sixth vesting year. Amounts contributed as a result of discontinued operations or matching contributions are 100% vested upon contribution.

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, or is subject to trading limitations, includes a put option.

The put option is the right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put option permits the participant (or beneficiary) to sell Company stock to the Trust or, if the Trust declines, to the Company at any time during the option period, at the then fair market value. Fair market value is based on an annual appraisal, which is independently calculated by a reputable valuation advisor who customarily makes such appraisals and who is independent of any party to a transaction. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to 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 other investments that are more diversified. 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 number of shares 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 either: 1) direct the Trustee to transfer that portion of his or her account to the investment option of the participant's election; or 2) receive a cash distribution.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 — Plan Description and Basis of Presentation (Continued)

Diversification (Continued)

Accelerated diversification is offered to participants based on years of participation in the Plan. Participants who have participated for at least 20 years may diversify up to 50%. Those who have participated at least 25 years can diversify up to 75%. After 30 years of participation, participants can completely cash out of the Plan regardless of age.

Forfeited Accounts

The non-vested portion of a terminated participant's account balance is transferred to a related Plan and held there as nonvested shares pending forfeiture. If the five-year break of service period, which is based on the anniversary date of the plan in which the termination occurred, is not met, then the nonvested shares are forfeited and transferred from the related plan. Forfeitures of a participant's account will be used first to pay Plan expenses to the extent of cash forfeitures. Remaining forfeitures are allocated to remaining participants in the same proportion that a participant's eligible compensation bears to the total compensation of all participants. As of and during the years ended December 31, 2024, and 2023, there were \$485,661 and \$434,868 of forfeitures, with \$290,028 and \$334,239 of unallocated forfeitures, respectively. The unallocated forfeitures are recorded in the due from related plan account.

NOTE 2 — Summary of Significant Accounting Policies

Basis of Accounting

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

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may 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 period in which debt service is actually paid.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 2 — Summary of Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Transfers To/From Related Plan

The Company also sponsors a 401(k) Profit Sharing Plan. In accordance with the ESOP's plan document, terminated participant balances of the ESOP in excess of \$7,000 are transferred to the 3LS, Inc. 401(k) Plan, until the terminated participant meets the criteria for distribution. The transferred balances are still subject to all of the distribution and vesting stipulations of the ESOP. When distributions are permitted, vested portions will be distributed from the 401(k) Profit Sharing Plan to participants, and nonvested portions will be transferred back to the Employee Stock Ownership Plan.

Subsequent Events

The Plan has performed a review of events subsequent to the statement of net assets available for benefits date through October 30, 2025, the date the financial statements were available to be issued.

NOTE 3 — Investments

The Plan's investment in 3LS, Inc. shares of common stock is as follows (rounded):

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	\$ 1,657,529	\$ 2,342,471	\$ 1,579,638	\$ 2,420,362
Fair value per share	<u>35.42</u>	<u>35.42</u>	<u>32.11</u>	<u>32.11</u>
Total fair value	<u>\$ 58,801,714</u>	<u>\$ 82,877,717</u>	<u>\$ 50,722,181</u>	<u>\$ 77,717,819</u>

Total fair value amounts have been adjusted for rounding and may not indicate exact multiplied values.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 4 — Fair Value Measurements

The Plan determines the fair values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. 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 the fair value measurement.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable, and when the determination of the fair value requires significant management judgment or estimation.

The following describes 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:

3LS, Inc. Company Common Stock: Valued at fair value using the independent appraisal of third-party appraisers who utilized market and income valuation approaches. The appraiser's inputs included historical and projected cash flow and net income, return on assets, market multiples for similar companies, and minority interest discount.

Mutual funds: Valued at the daily closing price reported by the fund, which is the quoted value of shares.

The preceding methods described may produce a fair value calculation 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 determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
3LS, Inc. Common Stock	\$ -	\$ -	\$ 141,679,431	\$ 141,679,431
Mutual Funds	95,439	-	-	95,439
	<u>\$ 95,439</u>	<u>\$ -</u>	<u>\$ 141,679,431</u>	<u>\$ 141,774,870</u>
	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
3LS, Inc. Common Stock	\$ -	\$ -	\$ 128,440,000	\$ 128,440,000
Mutual Funds	715,262	-	-	715,262
	<u>\$ 715,262</u>	<u>\$ -</u>	<u>\$ 128,440,000</u>	<u>\$ 129,155,262</u>

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
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NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 4 — Fair Value Measurements (Continued)

The carrying amounts of receivables and the note payable approximate the fair value based on current rates offered to the Plan. Therefore, the Plan considers them to be Level 1.

The Plan recognizes fair value asset and liability classification transfers between the levels as of the beginning of the reporting period, if any. There were no transfers between the levels for the years ended December 31, 2024, and 2023.

The following table sets forth a summary of changes in the fair value of the Plan’s level 3 assets for the years ended December 31, 2024:

	3LS, Inc. Common Stock
Balance, beginning of year	\$ 128,440,000
Unrealized appreciation in estimated fair value	<u>10,080,000</u>
Balance, end of year	<u>\$ 141,679,431</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ 10,080,000</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024, and 2023. The 3LS, Inc. common stock held by the Plan is reported at fair value based upon an independent appraisal. The appraisal was based upon a combination of the market and income valuation techniques consistent with prior years, as illustrated in the following table.

The valuation process involves the selection of an independent appraiser by Plan management. Plan management accumulates data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of the estimated per-share value that a participant will receive upon distribution. Plan management is responsible for reviewing both the report and the underlying data used in the report to develop the per share value. At December 31, 2024, and 2023, the stock was valued at \$35.42 and \$32.11, respectively, per share. Upon receipt of the appraisal, the Plan Trustee will go through a diligence process prior to acceptance. Once accepted by the Trustee, Plan management will review the valuation and then meet with the Trustee to conduct an overall review and confirm and approve the valuation process.

The methods described may produce a fair value calculation 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 determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
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NOTE 4 — Fair Value Measurements (Continued)

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
3LS, Inc. common stock	\$ 141,679,431	Income – Discounted Cash Flow Analysis (DCF)	Projected EBITDA Projected Net income Weighted average cost of capital Discount rate Discount for lack of marketability
3LS, Inc. common stock	\$ 141,679,431	Market – Guideline Public Company (GPC)	Public comparable Revenue multiple EBITDA multiple Discount for lack of marketability

NOTE 5 — Loans Payable

On December 31, 2023, the plan entered into a \$21,404,210, 4.19% term loan agreement with the Company that paid off the 2013 and 2021 loans. The proceeds of the loan were used to purchase 370,370.37 shares of Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. Payments on the note are due annually in the amount of \$1,266,521 of the principal plus interest. Prepayment of principal is permitted and can be used to offset subsequent principal payments.

The Company makes contributions to the Plan in the amount of the debt payments required, and the Plan uses these contributions to make payments on the note. Within thirty days after the close of each plan year, the Plan releases shares as a result of the annual principal and interest payment. The number of shares released is determined as follows: the number of shares remaining to be allocated as of the beginning of the plan year is multiplied by a fraction, the computation of which is based on (a) the principal and interest payment made during that plan year divided by (b) the principal and interest payments remaining to be paid under the terms of the promissory note as of the beginning of that plan year. Shares released and allocated were 80,775 and 163,916 for the years ended December 31, 2024, and 2023, respectively.

The agreement provides for the loan to be repaid over 26, 20, and 30 years, respectively. The fair value of the loans payable as of December 31, 2024, and 2023, was \$21,034,526 and \$21,404,210, respectively.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
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NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 5 — Loans Payable (Continued)

A summary of future principal maturities as of December 31, 2024, is as follows:

<u>Year Ending December 31,</u>	
2025	385,174
2026	401,313
2027	418,128
2028	435,648
2029	453,901
Thereafter	<u>18,940,361</u>
	<u>\$ 21,034,526</u>

NOTE 6 — Related Party and Party-in-Interest Transactions

The Plan invests in the Company's common stock and is indebted to the Company. These are related party and party-in-interest transactions. The Plan has a number of service providers which expenses are paid by the Company. Such providers are parties-in-interest under ERISA.

NOTE 7 — 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 other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, 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.

NOTE 8 — Plan Termination

Although it is not the Company's intention to terminate the Plan, it has the right to do so at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

NOTE 9 — Tax Status

The IRS has determined and informed the Company by a letter dated November 2, 2017, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although, the Plan has been amended since applying for the tax determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code and that the related trust is tax-exempt.

**3LS, INC. EMPLOYEE STOCK OWNERSHIP
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NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 9 — Tax Status (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 (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or Department of Labor. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 10 — Prior Period Adjustment

Adjustments to previously stated balances were made that decreased beginning net assets available for benefits by \$1,038,701. The effects of the restatement are as follows:

	Due from related plan	Net assets available for benefits
<u>December 31, 2023</u>		
As previously reported	\$ 543,217	\$ 12,644,645
Effects of prior period corrections	<u>1,038,701</u>	<u>1,038,701</u>
As restated	<u>\$ 1,581,918</u>	<u>\$ 113,683,346</u>

SUPPLEMENTAL SCHEDULE

3LS INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

EIN #62-1456150, Plan No. 003

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

December 31, 2024

{a}	{b} Identity of Issue, Borrower, Lessor, or Smiliar Party	{c} Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	{d} Cost	{e} Current Value
*	3LS, Inc.	Common Stock	\$ 13,400,642	\$ 141,679,431
*	GreatBanc Cash	Goldman Sachs Finacial Sq Gov. FS Instl Shares	<u>95,439</u>	<u>95,439</u>
			<u>\$ 13,496,081</u>	<u>\$ 141,774,870</u>

* Represents a party-in-interest transaction that is not a "prohibited investment" under ERISA.