

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 09/01/2024 and ending 08/31/2025

- 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.) [x] a single-employer plan [] a DFE (specify) ____
B This return/report is: [] the first return/report [] the final return/report [] an amended return/report [] a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. []
D Check box if filing under: [] Form 5558 [] automatic extension [] the DFVC program [] special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. []

Part II Basic Plan Information—enter all requested information

1a Name of plan: KENMARK OPTICAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 09/01/1998
2a Plan sponsor's name (employer, if for a single-employer plan): KENMARK OPTICAL, INC.
2b Employer Identification Number (EIN): 61-0999919
2c Plan Sponsor's telephone number: 502-267-4486
2d Business code (see instructions): 339900

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 of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for plan administrator, employer/plan sponsor, and 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	119
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)	77
	6a(2)	71
	6b	33
	6c	16
	6d	120
	6e	2
	6f	122
	6g(1)	117
6g(2)	119	
6h	0	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2O 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.	<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 09/01/2024 and ending 08/31/2025	
A Name of plan KENMARK OPTICAL, 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 KENMARK OPTICAL, INC.	D Employer Identification Number (EIN) 61-0999919

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

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	46855 33638638
(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)	28168870	0
(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	28215725	33638638
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	28215725	33638638

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)	618491	
(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)		618491
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	1901	
(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)		1901
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	17250000	
(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)		17250000
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)	18344409	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	28168870	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		-9824461
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0

		(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		8045931

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2623018	
(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)		2623018
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2623018

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5422913
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: **CHERRY BEKAERT LLP**

(2) EIN: **56-0574444**

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		1500000
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 0.

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.	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 09/01/2024 and ending 08/31/2025

A Name of plan <u>KENMARK OPTICAL, 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>KENMARK OPTICAL, INC.</u>	D Employer Identification Number (EIN) <u>61-0999919</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	1968863
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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): 20-1171923

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

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

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

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 _____.

**KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

*As of August 31, 2025 (in liquidation) and 2024 (ongoing)
and for the Year Ended August 31, 2025 (in liquidation)*

And Report of Independent Auditor

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
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Note: All other schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Auditor

To the Plan Administrator and Participants
Kenmark Optical, Inc. Employee Stock Ownership Plan
Louisville, Kentucky

Opinion

We have audited the financial statements of the Kenmark Optical, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of August 31, 2025 (in liquidation) and 2024 (ongoing), and the related statement of changes in net assets available for benefits for the year ended August 31, 2025 (in liquidation), and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2025 (in liquidation) and 2024 (ongoing), and the changes in its net assets available for benefits for the year ended August 31, 2025 (in liquidation), 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 Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe 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 the Plan's ability to continue as a going concern for one year after the date the financial statements are issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting

As further discussed in Note 1 to the financial statements, the Board of Directors of Kenmark Optical, Inc., the Plan Sponsor, adopted a Board Resolution on August 22, 2025, to terminate the Plan effective August 22, 2025. As a result, the Plan changed its basis of accounting from the ongoing basis used in presenting the 2024 financial statements to the liquidation basis used in presenting the 2025 financial statements. Our opinion is not modified with respect to this matter

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules, Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i, and Schedule of Reportable Transactions – Form 5500, Schedule H, Part IV, Line 4j, as of and for the year ended August 31, 2025, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s (“DOL”) 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 auditing standards generally accepted in the United States of America.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules are 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 DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

Cherry Bekaert LLP

Louisville, Kentucky
January 13, 2026

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

	<u>2025</u>	<u>2024</u>
ASSETS		
Money market mutual fund	\$ 33,638,638	\$ 46,855
Dividend income receivable	396,633	-
Other receivables	639,555	-
Investment in Kenmark Optical, Inc. common stock, at fair value	-	28,168,870
Total Assets	<u>34,674,826</u>	<u>28,215,725</u>
LIABILITIES		
Accrued administrative expenses	<u>55,377</u>	-
Total Liabilities	<u>55,377</u>	-
Net Assets Available for Benefits	<u>\$ 34,619,449</u>	<u>\$ 28,215,725</u>

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

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED AUGUST 31, 2025 (IN LIQUIDATION)

Additions (reductions) to net assets attributed to:	
Employer contributions	<u>\$ 618,491</u>
Investment income (loss):	
Dividends on money market mutual fund	398,534
S corporation dividend	17,250,000
Released from escrow	500,000
Realized loss on sale of investments	<u>(9,684,906)</u>
Net Investment Income	<u>8,463,628</u>
Total Additions	<u>9,082,119</u>
Deductions from net assets attributed to:	
Administrative expenses	55,377
Distributions to participants	<u>2,623,018</u>
Total Deductions	<u>2,678,395</u>
Net increase in net assets available for benefits	6,403,724
Net assets available for benefits, beginning of year	<u>28,215,725</u>
Net assets available for benefits, end of year	<u><u>\$ 34,619,449</u></u>

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

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 1—Description of Plan

The following description of the Kenmark Optical, Inc. Employee Stock Ownership Plan (the “Plan”) provides only general information. The Plan Agreement should be referred to for more complete information of the Plan’s provisions.

General – Kenmark Optical, Inc. (the “Company” and “Plan Sponsor”) is engaged in the purchase and resale of eyeglass frames to retail outlets. The Company established the Plan effective as of September 1, 1998. As of July 30, 2002, the Plan was amended and operates as a partially leveraged employee stock ownership plan (“ESOP”) and is designed to comply with Section 4975(e)(7) and the regulations there under of the Internal Revenue Code (“IRC”) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The trust department of an independent third party bank is the Plan’s (“Trustee”). The Plan is administered by an appointee of the Trustee in consultation with retirement benefits consultants.

Plan Termination – Effective August 22, 2025, the Company was acquired by Zyloware Intermediate, LLC. In connection with the acquisition and also effective August 22, 2025, the Plan was amended and terminated, participants became 100% vested in their accounts, all future participation was frozen, and future entry into the Plan by any additional participants was prohibited. Further, the Plan ceased to be an employee stock ownership plan and classified a profit sharing plan until such time all assets have been distributed or transferred from the Plan. Notwithstanding any provision of the Plan to the contrary, each participant may elect to receive a single sum distribution of up to 85% of their balance in the Plan to be paid as soon as administratively feasible. The remaining balance shall be distributed in a single sum as soon as administratively possible after the last to occur of: (1) receipt by the Plan of a final determination letter from the Internal Revenue Service (“IRS”) with respect to the Plan, or (2) payment to the Plan’s Trust of all remaining funds under the Stock Purchase Agreement.

The Plan changed its basis of accounting from the ongoing basis used to present the 2024 financial statements to the liquidation basis used to present the 2025 financial statements. As a result, management considered the period over which the liquidation would occur, accrued all income that it expected to earn during the expected duration of the liquidation, and considered the nature of expenses that would be incurred during the liquidation period.

As of August 31, 2025, the Plan accrued \$500,000 due from an escrow account in connection with the acquisition, \$139,555 in income due resulting from purchase price adjustments, dividend income of \$396,633, and administrative expenses of \$55,377.

Eligibility – Prior to the Plan’s termination, employees of the Company were eligible to participate in the Plan after 30 days of service. Members of a collective bargaining unit were excluded from the Plan. Effective September 1, 2006, employees or independent contractors who were categorized as sales force were excluded from participation in the Plan. If any employees of this group entered the Plan prior to September 1, 2006, they were eligible to receive forfeitures arising from the initial purchase of stock.

Contributions – Prior to the Plan’s termination, the Company could make contributions at its discretion. For the Plan year ended August 31, 2025, The Company made a discretionary contribution totaling \$618,491. Participants must have completed 1,000 hours of service during the Plan year and employed on August 22, 2025 to be eligible to receive an allocation of the Company contribution.

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 1—Description of Plan (continued)

Participant Accounts – The Trustee maintains a separate account in the name of each participant reflecting his or her interest in the Plan. Prior to the Plan’s termination, each participant’s account was credited as of the last day of each Plan year with an allocation of the shares of the Company’s common stock released by the Trustee from the unallocated account and forfeitures of terminated participants’ nonvested accounts. Contribution and forfeiture allocations were based on a participant’s eligible compensation, relative to total eligible compensation. Plan interest 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. S corporation distributions were allocated to each participant’s account based on the ratio of the participant’s Company stock ownership to all participants’ Company stock ownership or eligible compensation, as defined by the Plan agreement. Participant loans are not permitted.

Vesting – Upon Plan termination on August 22, 2025, each participant became fully vested in their account. Prior to termination, participants vested over a period of years (20% each year beginning with 2 years of credited service).

Put Option – Prior to the Plan’s termination and under federal income tax regulations, the employer stock that was held by the Plan and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price was representative of the fair value of the stock. The Company could pay for the purchase with interest over a period not to exceed five years with the first installment payable within 30 days of exercising the put option. The purpose of the put option was to ensure the participant had the ability to ultimately obtain cash.

The Company had elected to be taxed as an S corporation; therefore, no distributions could be made in the form of stock.

Diversification – Prior to the Plan’s termination, diversification was offered to participants close to retirement so that they could have the opportunity to move part of the value of their investment in Company stock into investments which were more diversified. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage increased to 50%. Participants who elected to diversify received a cash distribution.

Voting Rights – Prior to the Plan’s termination, each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and was notified by the Trustee prior to the time such rights were to be exercised. The Trustee was not permitted to vote any allocated share for which instructions had not been given by a participant. The Trustee was required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

Payment of Benefits – Prior to the Plan’s termination, no distributions from the Plan were made until a participant retired, died, otherwise terminated employment with the Company, or became eligible for diversification. Benefits due to participants from the ESOP portion of their accounts were generally paid in installments. Benefits due relating to the non-ESOP portion of their accounts were distributed in annuity, installment, or lump-sum amounts. Participants could elect distribution in the form of a lump-sum provided adequate cash was available to effectuate such an election. Distributions are made in cash.

Subsequent to Plan termination, the Plan distributed to participants approximately \$28 million which represented 85% of their account balances. Participants could elect to roll their balance into another eligible retirement plan, individual retirement account, or elect a cash distribution. The Plan has applied for approval of the termination from the IRS and upon approval will distribute to participants the remainder of their account balances.

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 1—Description of Plan (continued)

Forfeited Accounts – Prior to the Plan’s termination, forfeitures were allocated with employer contributions in the Plan year in which the forfeitures occur. There were no forfeitures allocated during the Plan year ended August 31, 2025. All participant accounts were 100% vested as of August 22, 2025.

Administrative Expenses – Fees associated with administering the Plan are generally paid by the Company.

Note 2—Summary of significant accounting policies

Basis of Presentation – The August 31, 2024 financial statements of the Plan have been prepared on the ongoing basis, and the August 31, 2025 financial statements of the Plan have been prepared on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Prior to the termination of the Plan, the most significant estimate effecting the Plan related to determining the fair value of the Plan Sponsor common stock.

Investment Valuation and Income Recognition – The Plan’s investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income and S corporation distributions are recorded as earned on the accrual basis. Net appreciation (depreciation) in the fair value of investments includes the Plan’s gains and losses on investments bought and sold as well as held during the Plan year.

Payment of Benefits – Benefits are recorded when paid.

Note 3—Investment in Plan Sponsor securities

The Plan’s investment in Kenmark Optical, Inc. common stock at August 31 is as follows:

	2025		2024	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	-	-	299,636.9532	-
Cost	\$ -	\$ -	\$ 13,373,176	\$ -
Fair value	\$ -	\$ -	\$ 28,168,870	\$ -

In connection with the Plan’s termination, all Company common stock was sold on August 22, 2025, resulting in a realized loss of \$9,684,906.

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 4—Fair value measurements

U.S. GAAP provides a 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 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 the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of the valuation methodologies used for assets measured at fair value including the general classification of such assets pursuant to the valuation hierarchy. There have been no changes in the methodologies used at August 31, 2025 or 2024.

Money Market Mutual Fund – Valued at the daily closing price as reported by the fund. Money market mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The money market mutual fund held by the Plan is deemed to be actively traded and is classified within Level 1 of the valuation hierarchy.

Common Stock of Kenmark Optical, Inc. – The Plan Sponsor's common stock held at August 31, 2024, is reported at fair value, which was determined by the Trustee of the Plan with the assistance of an independent valuation specialist using available financial data. The valuation process involved Plan management's selection of an independent appraiser under contract on a yearly basis. Plan management accumulated the data for the appraiser from the audited financial statements of the Company. The appraiser prepared a preliminary report which Plan management, along with the Trustee, reviewed in detail, discussed and approved. The common stock was valued using a combination of the income and market approaches. The appraiser assessed unobservable inputs including historical and projected cash flow and net income, weighted average cost of capital, return on assets, return on equity, market comparables, and fair value of the Plan Sponsor assets and liabilities. Plan management concluded that a market participant would also recognize a discount for lack of marketability. The common stock is classified within Level 3 of the valuation hierarchy.

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.

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 4—Fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of August 31:

Assets at Fair Value as of August 31, 2025 (In Liquidation)				
	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 33,638,638	\$ -	\$ -	\$ 33,638,638
	<u>\$ 33,638,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,638,638</u>
Assets at Fair Value as of August 31, 2024 (Ongoing)				
	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 46,855	\$ -	\$ -	\$ 46,855
Investment in common stock of Kenmark Optical, Inc.	-	-	28,168,870	28,168,870
	<u>\$ 46,855</u>	<u>\$ -</u>	<u>\$ 28,168,870</u>	<u>\$ 28,215,725</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended August 31, 2025:

Balance, beginning of year	\$ 28,168,870
Realized loss on employer securities	(9,684,906)
Sale of common stock	<u>(18,483,964)</u>
Balance, end of year	<u>\$ -</u>

During the Plan year ended August 31, 2025, there were no transfers into or out of Level 3 of the fair value hierarchy.

Note 5—Related party and party-in-interest transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan, including the Plan Sponsor. Prior to Plan termination, the Plan invested in Company common stock. All fees incurred in the administration of the Plan are paid by the Plan Sponsor. These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

Note 6—Income tax status

The IRS has determined and informed the Company, by a letter dated November 12, 2015, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, is exempt from taxation. The Plan administrator has applied to the IRS for approval of the Plan's termination and awaits response.

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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of August 31, 2025 and 2024, there were no uncertain tax 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.

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025 (IN LIQUIDATION) AND 2024 (ONGOING)

Note 7—S corporation dividends

During the Plan year ended August 31, 2025, and in accordance with the Stock Purchase Agreement with Zyloware Intermediate, LLC, the Plan received S corporation dividends from the Company totaling \$17,250,000. These were allocated to participants in accordance with the Plan Agreement.

Note 8—Risks and uncertainties

Prior to the Plan's termination, the Plan invested in the common stock of the Company. The Plan held 100% of the Company's outstanding common stock, the value of which, as determined by an independent valuation specialist, was directly affected by the annual operations of the Company and other assumptions used by the valuation specialist.

Note 9—Reconciliation of financial statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 as of August 31, 2025:

Net assets available for benefits per the financial statements	\$ 34,619,449
Dividend income receivable	(396,633)
Other receivables	(639,555)
Accrued expenses	<u>55,377</u>
Net assets per the Form 5500	<u><u>\$ 33,638,638</u></u>

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to net income per the Form 5500 for the year ended August 31, 2025:

Net increase per the financial statements	\$ 6,403,724
Change in dividend income receivable	(396,633)
Change in other receivables	(639,555)
Change in accrued expenses	<u>55,377</u>
Net income per the Form 5500	<u><u>\$ 5,422,913</u></u>

Note 10—Subsequent events

The Plan has evaluated all subsequent events through January 13, 2026, which is the date these financial statements were available to be issued and has determined there are no additional subsequent events that require disclosure.

SUPPLEMENTAL SCHEDULES

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 FORM 5500, SCHEDULE H, PART IV, LINE 4i
 EIN: 61-0999919, PLAN NUMBER: 003

AUGUST 31, 2025

(a)	(b)	(c)	(d)	(e)
<u>Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value</u>	<u>Cost</u>	<u>Current Value</u>	
Federated Hermes	Treasury Obligations Fund	\$ 33,638,638	\$ 33,638,638	
		<u>\$ 33,638,638</u>	<u>\$ 33,638,638</u>	

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, PART IV, LINE 4j
EIN: 61-0999919, PLAN NUMBER: 003

YEAR ENDED AUGUST 31, 2025

(a) Identity of Party	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Gain (Loss) on Sale
<u>Single Transactions - Category (i)</u>						
Kenmark Optical, Inc.	293,084 common shares of Kenmark Optical, Inc.	\$ -	\$ 18,483,964	\$ 13,373,176	\$ 28,168,870	\$ (9,684,906)
Federated Hermes	Treasury Obligations Fund	17,250,000	-	-	17,250,000	-
Federated Hermes	Treasury Obligations Fund	16,375,546	-	-	16,375,546	-
<u>Series of Transactions of Same Security - Category (iii)</u>						
Kenmark Optical, Inc.	293,084 common shares of Kenmark Optical, Inc.	-	18,483,964	13,373,176	28,168,870	(9,684,906)
Federated Hermes	Treasury Obligations Fund	34,246,156	654,373	654,373	34,900,529	-

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, PART IV, LINE 4j
EIN: 61-0999919, PLAN NUMBER: 003

YEAR ENDED AUGUST 31, 2025

(a) Identity of Party	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Gain (Loss) on Sale
<u>Single Transactions - Category (i)</u>						
Kenmark Optical, Inc.	293,084 common shares of Kenmark Optical, Inc.	\$ -	\$ 18,483,964	\$ 13,373,176	\$ 28,168,870	\$ (9,684,906)
Federated Hermes	Treasury Obligations Fund	17,250,000	-	-	17,250,000	-
Federated Hermes	Treasury Obligations Fund	16,375,546	-	-	16,375,546	-
<u>Series of Transactions of Same Security - Category (iii)</u>						
Kenmark Optical, Inc.	293,084 common shares of Kenmark Optical, Inc.	-	18,483,964	13,373,176	28,168,870	(9,684,906)
Federated Hermes	Treasury Obligations Fund	34,246,156	654,373	654,373	34,900,529	-

KENMARK OPTICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 FORM 5500, SCHEDULE H, PART IV, LINE 4i
 EIN: 61-0999919, PLAN NUMBER: 003

AUGUST 31, 2025

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value	
				Federated Hermes
		<u>\$ 33,638,638</u>	<u>\$ 33,638,638</u>	