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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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:
- [X] 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. . . . . ▶ [X]

Part II Basic Plan Information—enter all requested information

1a Name of plan
24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2023

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
24 CARROTS HOLDING COMPANY, INC.

150 BAKER STREET EAST
COSTA MESA, CA 92626

2b Employer Identification Number (EIN)
93-4951049

2c Plan Sponsor's telephone number
714-942-6000

2d Business code (see instructions)
522220

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2026	NORMAN BENNETT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] 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

4b EIN

c Plan Name

4d PN

5	Total number of participants at the beginning of the plan year	**5**	327
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	**6a(1)**	315
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	319
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	18
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	337
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	338
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	200
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	200
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	19
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 Characteristic Codes in the instructions:

2P 3I

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

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] 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)** [X] **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)** [X] **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 2025 Form M-1 annual report. If the plan was not required to file the 2025 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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
24 CARROTS HOLDING COMPANY, INC.

D Employer Identification Number (EIN)
93-4951049

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	110	110
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(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)		
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	2550000	2835000
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	2550110	2835110
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h	110	110
1i Acquisition indebtedness	1i	15567273	15298372
1j Other liabilities	1j		
1k Total liabilities (add all amounts in lines 1g through1j)	1k	15567383	15298482
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	-13017273	-12463372

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)	979239	
(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)		979239
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)		0
(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)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	285001	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		285001

		(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		1264240
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2028	
(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)		2028
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		708311
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		710339
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		553901
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) [X] 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)** [X] 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: WINDES, INC. **(2)** EIN: 95-3001179

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.)	**4a**		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.)	**4b**		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.)	**4c**		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.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		300000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		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?	**4g**		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?	**4h**		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.)	**4i**	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.)	**4j**		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?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		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.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ..... ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
24 CARROTS HOLDING COMPANY, INC.

D Employer Identification Number (EIN)
93-4951049

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 58-1428634

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ 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. ☐ 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_____.

24 Carrots Employee Stock Ownership Plan

Financial Statements

December 31, 2025

WINDES
AUDIT | TAX | ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Trustee and Committee of
24 Carrots Employee Stock Ownership Plan

Opinion

We have audited the financial statements of 24 Carrots Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2025 and 2024, the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2025 and 2024, and the changes in its net assets (deficit) available for benefits for the year ended December 31, 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 3, substantially all of the Plan's assets at December 31, 2025 and 2024 consist of employer securities for which quoted market prices are not available. The fair value of these securities has been estimated by an independent appraisal, in the absence of readily ascertainable fair values, with the assistance of management, and approved by the trustee. Because of the inherent uncertainty of the valuation, those estimated values may differ significantly from the values that would have been used had a market for the investments existed, and the differences could be material. Our opinion is not modified with respect to this 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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing the audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Other Matter – Supplementary Information Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents as of December 31, 2025 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 GAAS.

In forming our opinion on the supplementary information, we evaluated whether the supplementary information, 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 supplementary information 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.



Long Beach, California
October 13, 2026

24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

	December 31, 2025			December 31, 2024		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments, at fair value						
24 Carrots Holding Company, Inc. common stock	$ 482,022	$ 2,352,978	$ 2,835,000	$ 357,977	$ 2,192,023	$ 2,550,000
Cash (noninterest-bearing)	110	-	110	110	-	110
Total Assets	482,132	2,352,978	2,835,110	358,087	2,192,023	2,550,110
LIABILITIES						
Accrued expense	110	-	110	110	-	110
Loan payable	-	15,298,372	15,298,372	-	15,567,273	15,567,273
Total Liabilities	110	15,298,372	15,298,482	110	15,567,273	15,567,383
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	$ 482,022	$ (12,945,394)	$ (12,463,372)	$ 357,977	$ (13,375,250)	$ (13,017,273)

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

24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

	December 31, 2025		
	Allocated	Unallocated	Total
ADDITIONS:			
Additions to net assets (deficit) attributed to:			
Investment income:			
Net unrealized appreciation in fair value of 24 Carrots Holding, Inc. common stock	$ 40,010	$ 244,991	$ 285,001
Employer contributions	2,028	977,211	979,239
Allocation of 22,231 shares of 24 Carrots Holding Company, Inc. common stock, at fair value	84,035	-	84,035
Total additions	126,073	1,222,202	1,348,275
DEDUCTIONS:			
Deductions from net assets (deficit) attributed to:			
Distributions	2,028	-	2,028
Interest expense	-	708,311	708,311
Allocation of 22,231 shares of 24 Carrots Holding Company, Inc. common stock, at fair value	-	84,035	84,035
Total deductions	2,028	792,346	794,374
NET INCREASE	124,045	429,856	553,901
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
Beginning of year	357,977	(13,375,250)	(13,017,273)
End of year	$ 482,022	$ (12,945,394)	$ (12,463,372)

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

NOTE 1 – Description of the Plan

The following description of 24 Carrots Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

24 Carrots Holding Company, Inc. and participating employers (the Company) established the Plan effective January 1, 2023. The Plan operates as a leveraged employee stock ownership plan (the Plan or ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the IRC), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The ESOP is primarily designed to invest in the Company's common stock. In addition, the Plan includes a profit-sharing component, which holds assets not invested in employer securities and is not intended for use in repaying an exempt loan or for other purposes within the ESOP portion of the Plan.

On May 3, 2024, the Plan purchased 750,000 shares of common stock for $18,060,000 from the Company's selling shareholders, which represented 100% of the Company's outstanding stock. The transaction was completed using $2,000,000 in cash to purchase 83,056 shares and a note payable to purchase the remaining 666,944 shares. The note payable was reassigned from the Plan to the Company. After the reassignment, the Plan had a note payable (see Note 5) to the Company (ESOP loan) and holds the stock in a trust established under the Plan.

The ESOP loan is collateralized by the unallocated shares of the Company's common stock (Company stock). As the Plan makes payments of principal and interest on the ESOP loan, an appropriate percentage of the Company stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the IRC. Once shares are allocated under the ESOP, the Company no longer retains any rights to those shares. Accordingly, the Plan's financial statements separately present the assets and liabilities pertaining to:

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

NOTE 1 – Description of the Plan (Continued)

Administration

The Plan is administered by the Committee, which is appointed by the Company's Board of Directors. Under the terms of the Plan, the Company has appointed an independent trustee (Trustee) and a third-party administrator. The third-party administrator processes and maintains the records of participant data. The Trustee administers each payment of principal and interest on the ESOP loan, which is reimbursed to the Trustee through contributions as determined by the Company. Expenses incurred for administering the Plan are paid by the Plan to the extent they are not paid by the Company.

Eligibility

Employees of the Company are eligible to participate in the Plan if they are at least 21 years of age and have completed one year of service in which they are credited with at least 1,000 hours. Eligible employees may enter the Plan on the first entry date following satisfaction of these requirements, which occurs on either January 1 or July 1. To receive an allocation of Company stock or contributions for a given plan year, participants generally must complete at least 1,000 hours of service during the year and be employed on the last day of the plan year, unless termination of employment occurred due to retirement, death, or disability. Nonresident aliens with no U.S. source income, employees covered by a collective bargaining agreement, and leased employees are not eligible to participate in the Plan.

Company Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make the regularly scheduled payments of principal and interest due on the ESOP loan. The Company may also make contributions to fund benefit payments to terminated or retired participants. For the plan year ended December 31, 2025, the Company made a cash contribution of $979,239. Employee contributions are not permitted.

NOTE 1 – Description of the Plan (Continued)

Dividends

The Company may, in addition to its contributions to the Plan, contribute cash in the form of dividends. Such dividends may first be used to repay the ESOP loan. If there is no outstanding indebtedness with respect to the ESOP loan, the Company shall allocate dividends to participants. The Company did not contribute any dividends for the year ended December 31, 2025.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. As of the last day of each plan year, each participant's account receives 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. On an annual basis a participant is awarded one point per year of service and one point per every $10,000 of eligible annual compensation. On at least an annual basis, contributions, common stock, and forfeitures are allocated based on the ratio of the individual participant's points to the points for all participants in the Plan for that year, subject to allocation limits. Appreciation in the value of Company stock is allocated to each participant's Company stock account based on the ratio of the participant's Company stock account balance to all participants' Company stock account balances.

Payment of Benefits

Distributions on account of death, disability, or attainment of the normal retirement age shall begin generally no later than the plan year following the plan year in which the event occurs. Distributions for other reasons for separation from service are offered no later than the sixth plan year following the plan year in which the participant terminated employment with the Company.

Vested account balances that are less than or equal to $7,000 but greater than $1,000 will be distributed as soon as administratively practicable. If a participant does not provide instructions, the amounts will be directly rolled over to an individual retirement account designated by the plan administrator.

NOTE 1 – Description of the Plan (Continued)

Payment of Benefits (Continued)

If the value of the vested account balance of a participant exceeds $7,000, as of the distribution date, no portion of the participant's account may be distributed before the participant attains age 65 without written participant consent. Payments will generally be made in substantially equal payments, at least annually, over a period not to exceed five years, plus one year for each $265,000 by which the value of the participant's vested account balance exceeds $1,330,000, subject to annual cost of living adjustments.

Diversification

Participants who are at least age 55 and 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 may transfer the eligible portion of his or her account balance directly to another qualified plan of the Company that accepts such transfers or may elect a distribution.

Administrative Expenses

Administrative expenses may be paid either by the Plan or by the Company. The Company has paid the operating expenses for the Plan for the year ended December 31, 2025.

Voting Rights

In general, shares of Company stock are voted by the Trustee as further described in the plan document. With respect to certain corporate matters such as a merger, consolidation, recapitalization, liquidation, dissolution, or sale of substantially all assets of a trade or business, each participant is entitled to direct the Trustee as to the voting of shares of Company stock allocated to his or her account. In those matters, unallocated shares or participant shares for which participant directions are not received will be voted by the Trustee as directed by the Committee. The Trustee is required to vote all shares in a manner determined by the Trustee to be consistent with ERISA.

NOTE 1 – Description of the Plan (Continued)

Vesting

If a participant's employment with the Company ends for any reason other than attainment of normal retirement age, permanent disability, or death, he or she will vest in the balances in his or her account based on years of participation in the Plan. Participants are 20% vested after two years of service and are 100% vested after six years of service. Participant service prior to the Plan's effective date of January 1, 2023 is credited for vesting at a rate of one year of service credit for each five full years of continuous service prior to January 1, 2023.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants, which is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The first put option period runs for a period of at least sixty days commencing on the date of distribution of the Company's common stock to the participant. The second put option period runs for a period of at least sixty days commencing on the first day after the new determination of the appraised value of the Company's common stock is made in the subsequent plan year. The Company can pay for the purchase with a lump-sum cash payment of the purchase price or an installment method together with interest over a maximum period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Forfeited Accounts

Forfeitures represent the nonvested portions of terminated participants' accounts. Under the Plan document, a participant's nonvested balance is forfeited upon the occurrence of five consecutive one year breaks in service. The forfeitures shall be allocated to eligible participants as of the allocation date of the plan year in which the forfeitures occur. As of December 31, 2025 and 2024, there was no balance in the forfeited non-vested account as all forfeitures were used in the same year they were forfeited. During the year ended December 31, 2025, 2,855 forfeited shares were allocated to participants.

NOTE 2 – Summary of Accounting Policies

Basis of Accounting

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

Use of Estimates

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

Allocations

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

Investment Valuation and Income Recognition

Investments are reported at fair value. The fair value of the Company's common stock is determined at least annually by an independent appraisal. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. Dividend income is accrued on the ex-dividend date and dividends on Company stock are recorded on the date declared. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported using the specific identification method. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – Summary of Accounting Policies (Continued)

Subsequent Events

The Plan has evaluated subsequent events through October 13, 2026, the date the financial statements were available to be issued.

NOTE 3 – Investments

The Plan's investments at December 31, 2025 and 2024 are presented in the following table:

	As of December 31, 2025		
	Number of Shares	Cost	Fair Value
24 Carrots Holding Company, Inc. Common Stock:			
Allocated	127,519	$ 3,070,656	$ 482,022
Unallocated	622,481	14,989,344	2,352,978
Total	750,000	$ 18,060,000	$ 2,835,000

	As of December 31, 2024		
	Number of Shares	Cost	Fair Value
24 Carrots Holding Company, Inc. Common Stock:			
Allocated	105,287	$ 2,535,322	$ 357,977
Unallocated	644,713	15,524,678	2,192,023
Total	750,000	$ 18,060,000	$ 2,550,000

The increase in value of the Company's common stock is reported in net unrealized appreciation in fair value of investments on the statement of changes in net assets (deficit) available for benefits and totaled $285,001 for the year ended December 31, 2025.

NOTE 4 – Fair Value Measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Topic 820 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE 4 – Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Company common stock: Valued by an annual independent appraisal principally using the income approach, specifically, the discounted cash flow method.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value measurements at December 31, 2025 and 2024:

	Assets at Fair Value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Company common stock	$ -	$ -	$ 2,835,000	$ 2,835,000
Investments at fair value	$ -	$ -	$ 2,835,000	$ 2,835,000

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Company common stock	$ -	$ -	$ 2,550,000	$ 2,550,000
Investments at fair value	$ -	$ -	$ 2,550,000	$ 2,550,000

NOTE 4 – Fair Value Measurements (Continued)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Plan's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, as of December 31, 2025 and 2024, and the significant unobservable inputs:

Instrument	Fair Value December 31, 2025	Principal Valuation Technique	Significant Unobservable Inputs
24 Carrots Holding Company, Inc. common stock	$ 2,835,000	Income approach	Weighted-average cost of capital Long-term growth rate Company-specific risk premium Discount for lack of marketability

Instrument	Fair Value December 31, 2024	Principal Valuation Technique	Significant Unobservable Inputs
24 Carrots Holding Company, Inc. common stock	$ 2,550,000	Income approach	Weighted-average cost of capital Long-term growth rate Company-specific risk premium Discount for lack of marketability

NOTE 5 – ESOP Loan

In May 2024, the Plan entered into a loan agreement with the Company for $16,060,000. The proceeds of the loan were used to purchase shares of the Company's common stock. The Company's common stock acquired by the proceeds of the loan is pledged as collateral against the loan, less shares allocated to the Plan's participants. Shares are released from collateral and allocated to participants as payments of principal and interest are made on the loan. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year's payments, divided by the total of the current year's payments, plus all future years' principal and interest payments. The loan bears interest at a fixed rate of 4.55%, requires annual principal and interest payments of $977,211, and matures December 2053. During the year ended December 31, 2025, 22,231 shares were released and allocated.

The following is a schedule of future loan principal maturities:

Year Ending December 31,		
2026	$	281,135
2027		298,927
2028		305,465
2029		321,199
2030		335,814
Thereafter		13,755,832
	$	15,298,372

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

The Plan invests in the Company's common stock and has an ESOP loan payable to the Company, which are considered related-party and party-in-interest transactions. As described in Note 1, the Company pays all plan expenses. The Plan has a number of service providers. Such providers are parties-in-interest under ERISA.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation for these duties from the Plan.

NOTE 7 – Risks and Uncertainties

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

NOTE 8 – Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to plan provisions. Upon termination of the Plan, the Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the plan terms and the IRC.

NOTE 9 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated April 28, 2025, that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by federal and state taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

24 CARROTS EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, PART IV, ITEM 4i -
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2025
EIN: 93-4951049
PLAN 001

	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value
*	24 Carrots Holding Company, Inc.	750,000 shares of common stock	$ 18,060,000	$ 2,835,000
			$ 18,060,000	$ 2,835,000

* Indicates party-in-interest

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► 24 Carrots Employee Stock Ownership Plan

Employer Identification Number:► 93-4951049

For plan year (beginning/ending):► 01/01/2025 - 12/31/2025 Plan number:► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	24 Carrots	750,000.0000 Shares of Common Stock	18,060,000	2,835,000
	Cash	Cash	110	110
*	Party-in-interest			