WYSSTA, INC. AND SUBSIDIARIES
(A WHOLLY-OWNED SUBSIDIARY OF DELTA DENTAL OF WISCONSIN, INC.)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

STROHM BALLWEG

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# Independent Auditor's Report
# on the Financial Statements

To the Board of Directors and Stockholder
Wyssta, Inc. and Subsidiaries
Stevens Point, Wisconsin

## Opinion

We have audited the accompanying consolidated financial statements of Wyssta, Inc. and Subsidiaries (the Company), which are comprised of the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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.

## Transactions with Affiliated Companies

As explained in Note 4 to the consolidated financial statements, the Company is part of an affiliated group of companies and has entered into transactions with the group members. Our opinion is not modified with respect to that matter.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Company'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 Company's ability to continue as a going concern for a reasonable period of time.

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

Strohm Ballweg, LLP

Madison, Wisconsin
March 19, 2025

| | 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 13,320,930 | $ 11,002,821 |
| Investment – other | 4,000,000 | 4,000,000 |
| Investment income due and accrued | 163,890 | 148,679 |
| Uncollected premiums | 137,215 | 113,962 |
| Contracts receivable | 6,092,275 | 6,193,996 |
| Receivable from Delta Dental of Wisconsin, Inc. | 1,833,598 | 1,728,521 |
| Prepaid expenses | 160,895 | 57,649 |
| Cloud computing arrangement | 185,584 | - |
| Federal income tax recoverable | - | 323,156 |
| Total current assets | 25,894,387 | 23,568,784 |
| Deferred tax assets | 685,533 | 224,545 |
| Cloud computing arrangement | 836,528 | 250,000 |
| Available-for-sale securities | 14,768,990 | 14,136,459 |
| Common stocks | 2,582,713 | 3,108,477 |
| Investment in Healthentic, Inc. | 554,970 | 453,186 |
| Investment in Encara Corporation | 139,504 | 118,712 |
| Total assets | $ 45,462,625 | $ 41,860,163 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| Current liabilities: | | |
| Claims unpaid | $ 740,000 | $ 613,000 |
| Unpaid claims adjustment expenses | 91,000 | 64,000 |
| Accounts payable and accrued expenses | 4,594,609 | 4,419,510 |
| Accrued compensation expenses | 1,623,304 | 1,462,566 |
| Payable to NorthWinds Technology Consulting, LLC | 342,610 | 212,875 |
| Contract payable | 1,084,905 | 1,071,055 |
| Deferred revenue | 856,077 | 743,918 |
| Federal income tax payable | 2,905 | - |
| Total liabilities | 9,335,410 | 8,586,924 |
| Stockholder's equity: | | |
| Common stock, no par value; 100,000 shares authorized; 19,270 shares issued and outstanding | - | - |
| Additional paid-in capital | 29,200,000 | 29,200,000 |
| Retained earnings | 7,230,163 | 4,354,413 |
| Accumulated other comprehensive loss | (302,948) | (281,174) |
| Total stockholder's equity | 36,127,215 | 33,273,239 |
| Total liabilities and stockholder's equity | $ 45,462,625 | $ 41,860,163 |

See Notes to the Consolidated Financial Statements.

| | 2024 | 2023 |
|---|---|---|
| REVENUES | | |
| Dental and vision administrative income | $ 36,977,029 | $ 32,118,168 |
| Insurance revenues: | | |
| Risk premiums earned | 42,376,391 | 38,306,903 |
| Administrative-services-only (ASO) fees | 65,942 | 63,111 |
| ASO claims reimbursed | 53,189 | 52,617 |
| Gross insurance revenues | 42,495,522 | 38,422,631 |
| ASO claims incurred | (53,189) | (52,617) |
| Reinsurance ceded | (7,369,721) | (6,718,456) |
| Net insurance revenues | 35,072,612 | 31,651,558 |
| Investment revenues: | | |
| Interest and dividend income | 735,474 | 437,625 |
| Net realized loss on sale of available-for-sale securities | (29,816) | (41,388) |
| Net unrealized holding gain (loss) on common stocks | (576,259) | 919,774 |
| Net realized gain (loss) on sale of common stocks | (728) | 30,115 |
| Gain on investment in Healthentic, Inc. | 101,784 | 107,082 |
| Gain (loss) on investment in Encara Corporation | 20,792 | (54,791) |
| Total investment revenues | 251,247 | 1,398,417 |
| Total revenues | 72,300,888 | 65,168,143 |
| EXPENSES | | |
| Risk claims incurred | 28,983,353 | 26,268,480 |
| Reinsurance recoveries | (6,290,246) | (5,730,987) |
| Claim adjusting and vision administration fee | 2,031,429 | 1,820,251 |
| Payroll and benefits | 18,792,079 | 17,379,697 |
| Professional and contract services | 12,377,666 | 11,644,754 |
| Computer hardware and software | 4,409,054 | 2,042,783 |
| Commissions | 2,197,404 | 1,999,020 |
| Reinsurance ceded commissions | (1,079,475) | (987,469) |
| Occupancy | 1,016,106 | 1,016,723 |
| Printing and postage | 834,388 | 355,549 |
| Advertising | 639,235 | 595,139 |
| Interest expense | 137,278 | 150,912 |
| Unusual and infrequent | 1,112,258 | - |
| Other | 944,563 | 937,315 |
| Total expenses | 66,105,092 | 57,492,167 |
| Net income before income tax expense | 6,195,796 | 7,675,976 |
| Income tax expense | 1,820,046 | 1,853,054 |
| Net income | $ 4,375,750 | $ 5,822,922 |

See Notes to the Consolidated Financial Statements.

| | 2024 | 2023 |
|---|---|---|
| Net income | $ 4,375,750 | $ 5,822,922 |
| Other comprehensive gain (loss), net of tax: | | |
| Unrealized holding gain (loss) arising during the period | (43,469) | 251,934 |
| Reclassification adjustment for losses included in net income | 21,695 | 30,113 |
| Other comprehensive gain (loss) | (21,774) | 282,047 |
| Comprehensive income | $ 4,353,976 | $ 6,104,969 |

| | Common Stock | Additional Paid-In Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total Stockholder's Equity |
|---|---|---|---|---|---|
| Balance, January 1, 2023 | $ - | $ 29,200,000 | $ (1,468,509) | $ (563,221) | $ 27,168,270 |
| Comprehensive income: | | | | | |
| Net income | - | - | 5,822,922 | - | 5,822,922 |
| Other comprehensive gain, net of tax of ($105,599) | - | - | - | 282,047 | 282,047 |
| Balance, December 31, 2023 | - | 29,200,000 | 4,354,413 | (281,174) | 33,273,239 |
| Comprehensive income: | | | | | |
| Net income | - | - | 4,375,750 | - | 4,375,750 |
| Other comprehensive loss, net of tax of $8,153 | - | - | - | (21,774) | (21,774) |
| Dividend to stockholder | - | - | (1,500,000) | - | (1,500,000) |
| Balance, December 31, 2024 | $ - | $ 29,200,000 | $ 7,230,163 | $ (302,948) | $ 36,127,215 |

See Notes to the Consolidated Financial Statements.

| | 2024 | 2023 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 4,375,750 | $ 5,822,922 |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities: | | |
| Amortization of premiums/accretion of discount on debt securities | (36,416) | 708 |
| Deferred taxes | (452,835) | (125,536) |
| Net loss on the sale of available-for-sale securities | 29,816 | 41,388 |
| Net unrealized holding (gain) loss on common stocks | 576,259 | (919,774) |
| Net (gain) loss on sale of common stocks | 728 | (30,115) |
| Gain on investment in Healthentic, Inc. | (101,784) | (107,082) |
| (Gain) loss on investment in Encara Corporation | (20,792) | 54,791 |
| Change in assets and liabilities: | | |
| Investment income due and accrued | (15,211) | (94,386) |
| Uncollected premiums | (23,253) | (31,153) |
| Contracts receivable | 101,721 | (1,372,563) |
| Payable to Delta Dental of Wisconsin, Inc. | (105,077) | (502,598) |
| Prepaid expenses | 146,754 | (87,776) |
| Cloud computing arrangement | (1,022,112) | - |
| Federal income tax recoverable | 326,061 | 66,270 |
| Claims unpaid | 127,000 | 52,000 |
| Unpaid claims adjustment expenses | 27,000 | 8,000 |
| Accounts payable and accrued expenses | 335,838 | 1,290,419 |
| Contract payable | 13,850 | 432,800 |
| Payable to NorthWinds Technology Consulting, LLC | 129,735 | (93,783) |
| Deferred revenue | 112,159 | (4,137) |
| Net cash provided by operating activities | 4,525,191 | 4,400,395 |
| Cash flows from investing activities: | | |
| Proceeds from sale of available-for-sale securities | 3,413,543 | 1,699,625 |
| Proceeds from the sale of common stocks | 342,610 | 536,555 |
| Purchase of investment – other | - | (4,000,000) |
| Purchase of available-for-sale securities | (4,069,403) | (6,518,064) |
| Purchase of common stocks | (393,832) | (897,576) |
| Net cash used for investing activities | (707,082) | (9,179,460) |
| Cash flows from financing activities: | | |
| Dividends to stockholder | (1,500,000) | - |
| Net cash used for financing activities | (1,500,000) | - |
| Net increase (decrease) in cash and cash equivalents | 2,318,109 | (4,779,065) |
| Cash and cash equivalents, beginning of year | 11,002,821 | 15,781,886 |
| Cash and cash equivalents, end of year | $ 13,320,930 | $ 11,002,821 |
| Supplemental disclosures of cash flow information: | | |
| Cash payments for income taxes | $ 1,705,000 | $ 1,784,000 |
| Cash paid during the year for interest | 137,279 | 150,912 |
| Supplemental schedule of noncash investing and financing activities: | | |
| Change in unrealized holding gains (losses) on available-for-sale securities, net of taxes | (21,774) | 282,047 |

See Notes to the Consolidated Financial Statements.

## Note 1 ~ Nature of Business and Summary of Significant Accounting Policies

Nature of Business. Wyssta, Inc. was formed in 2005 to operate as a holding company. Wyssta, Inc. is a wholly-owned subsidiary of Delta Dental of Wisconsin, Inc. (Delta WI) and purchases administrative services from them.

Wyssta, Inc. has three wholly-owned subsidiaries: Wyssta Insurance Company, Inc., Wyssta Services, Inc., and Wyssta Investments, Inc. Wyssta Insurance Company, Inc. writes group and individual vision insurance in the state of Wisconsin. Wyssta Services, Inc. is licensed as a Third-Party Administrator in various states and provides dental and vision administration and inside sales services to eleven customers. The customers consist of other Delta Dental companies, including Delta WI. Wyssta Services, Inc. also provides information technology (IT) programming and support to Encara Corporation (Encara). Wyssta Investments, Inc. holds minority interests in a development stage biotechnology company, a dental analytics company, and a company that performs marketing services for various Delta Dental companies, including Delta WI, with respect to their individual dental insurance products.

A summary of Wyssta, Inc.'s significant accounting policies follows.

Basis of Accounting. The accompanying financial statements are prepared using the accrual basis of accounting in conformity with the accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation. The consolidated financial statements include the accounts of Wyssta, Inc. and its wholly-owned subsidiaries: Wyssta Insurance Company, Inc., Wyssta Services, Inc., and Wyssta Investments, Inc. (together referred to as "the Company"). All significant intercompany transactions and balances have been eliminated.

Accounting Changes. In 2023, the Company adopted *Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326)* (ASU 2016-13) (CECL). The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods previously in GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The Company adopted CECL on a modified retrospective basis for all financial assets measured at cost or amortized cost and off-balance sheet credit exposures. The Company adopted CECL using the prospective transition approach for debt securities for which other-than-temporary impairments had been recognized prior to January 1, 2023. As of December 31, 2022, the Company did not have any other-than-temporarily impaired investment securities. Therefore, upon adoption of CECL, the Company determined that an allowance for credit losses on available-for-sale securities was not deemed material. The adoption had no impact on the Company's financial statements.

The Company has elected the practical expedient to exclude accrued interest from the amortized cost basis of available-for-sale security disclosures.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Accounting Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near-term relate to:

- The liabilities for claims unpaid and unpaid claims adjustment expenses.
- The assumptions regarding the other-than-temporary impairment analysis of the investment portfolio.
- Deferred tax assets that are more likely than not to be realized.
- Allowances of lifetime expected credit losses for financial assets within the scope of CECL.
- Allocation of shared expenses with related parties.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company considers cash in checking accounts and money market funds to be cash and cash equivalents. The Company has on deposit in a financial institution balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company does not believe it is exposed to any significant credit risk on the uninsured amounts.

Investments. The Company has investments in bonds, common stocks, and a certificate of deposit. Management determines the appropriate classification of the bonds at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. Since the Company neither buys investment securities in anticipation of short-term fluctuations in market prices nor can commit to holding bonds to their maturities, the investments in bonds have been classified as available-for-sale. Certificates of deposit are carried at cost, which approximates fair value. Certificates that have a maturity date of one year or less are classified as current assets.

Available-for-sale securities and common stocks are stated at fair value. Non-credit related unrealized holding gains or losses on available-for-sale securities, net of the related deferred tax effect, are reported in the other comprehensive income component of stockholder's equity. Unrealized holding gains or losses on common stocks are reported in net income. Realized gains and losses on the sale of available-for-sale securities and common stocks are recognized on the specific identification basis and are included in net income.

The Company also holds minority interests in a dental analytics company (Healthentic, Inc.) and a company that performs marketing services for various Delta Dental companies with respect to their individual dental insurance products, including Delta WI (Encara). Healthentic, Inc. and Encara are privately held companies and are accounted for under the equity method of accounting. Any changes in equity are reported as gains or losses in net income.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

For available-for-sale securities, management evaluates all investments in an unrealized loss position on a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. If the Company has the intent to sell the security, or it is more likely than not that the Company will be required to sell the security, the security is written down to fair value and the entire loss is recorded in the statements of income as realized losses.

If either of the above criteria is not met, the Company evaluates whether the decline in fair value is the result of credit losses or other factors. In making the assessment, the Company may consider various factors including the extent to which fair value is less than amortized cost, performance on any underlying collateral, downgrades in the ratings of the security by a rating agency, the failure of the issuer to make scheduled interest or principal payments, and adverse conditions specifically related to the security. If the assessment indicates that a credit loss exists, the present value of cash flows expected to be collected are compared to the amortized cost basis of the security and any excess is recorded as an allowance for credit loss, limited by the amount that the fair value is less than the amortized cost basis. Estimating the future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities. Any amount of unrealized loss that has not been recorded through an allowance for credit loss is recognized in other comprehensive income.

Changes in the allowance for credit loss are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the allowance for credit loss when management believes an available-for-sale security is deemed to be uncollectible or when either of the criteria regarding intent or requirement to sell is met. There was no allowance for credit loss related to available-for-sale securities at December 31, 2024 and 2023.

Accrued interest receivable on available-for-sale securities totaled approximately $116,000 and $112,000 at December 31, 2024 and 2023, respectively, and was excluded from the estimate of credit losses.

For investments that are not classified as available-for-sale, declines determined to be other than temporary are included in the statements of income as realized losses. The Company determines a decline to be other than temporary by reviewing and evaluating relevant objective and subjective factors for each security, including the length of time the security has been in a loss position, the severity of that loss, the Company's intent and ability to hold the security, a security's current performance, the rating, the financial condition of the issuer, the industry in which the issuer operates, and the status of the market as a whole. Declines deemed other than temporary were $0 for both years ended December 31, 2024 and 2023.

Fair Value Measurements. Financial instruments are categorized in a fair value hierarchy based on the reliability of inputs to the valuation techniques, as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Company has the ability to access.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The 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. The Company 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.

Contracts Receivable. Contracts receivable are stated at the invoice amount.

Allowance for Credit Losses. The Company estimates expected future credit losses on financial assets in the scope of CECL and records an allowance with an offsetting charge to net income. The expected credit losses are estimated by management using historical credit loss information that is adjusted for current economic conditions with reasonable and supportable forecasts. The Company measures expected credit losses using the probability-of-default and aging schedule methods, contingent on the nature of the asset. The allowance for credit losses on the financial assets was $0 as of December 31, 2024 and 2023.

Claims Unpaid and Unpaid Claims Adjustment Expenses. The liabilities for claims unpaid and unpaid claims adjustment expenses represent management's estimates of the ultimate net cost of all claims which have been incurred but are unpaid at year end.

All estimates of claims unpaid and unpaid claims adjustment expenses are continually reviewed, and any adjustments determined to be necessary are reflected in current operations. Since these liabilities are based on estimates, the ultimate settlement of claims and related expenses may vary from the amounts included in the financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the liabilities for claims unpaid and unpaid claims adjustment expenses are adequate.

Risk Premiums. Premiums are recognized upon the effective date of the coverage. A deferred revenue liability is established for premiums received for coverage in the next fiscal year.

Administrative Income. The Company receives dental and vision administrative income based on the number of subscribers/policies administered, as well as based on the number of inside sales representatives contracted to serve the customer. IT programming is based on a flat monthly fee and contracted statement of work projects. Fees are billed, due, and recognized monthly at contracted rates. This recognition pattern aligns with satisfaction of performance obligation as defined in the service contracts.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Vision Claims Incurred and Vision Administration Fees. The Company rents a vision network from, and outsources claims administration to, EyeMed Vision Care, LLC (EyeMed). The Company issues insured policies, as well as provides services for administrative-services-only (ASO) plans. The agreement with EyeMed is based on a per member, per month fee.

Reinsurance. Reinsurance premiums and claim recoveries are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Income Taxes. The Company files a consolidated federal income tax return. For Wisconsin income tax purposes, the Company is included in a consolidated return with Delta WI. Income taxes are allocated to each company of the consolidated group based on separate taxable income in accordance with a tax sharing agreement. Companies in the consolidated group are compensated for the use of net operating losses or tax credits in the year in which the loss or credit is actually used in the consolidated return to reduce income taxes. Intercompany tax balances are settled after the payments are made to the respective tax authorities.

The Company records deferred income taxes on temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities based on enacted federal and state tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Significant Contracts. The Company provides dental and vision administration services to eleven customers. The majority of the customers are contracted through December 31, 2025, and have penalty provisions for early termination. Revenue from five of the eleven customers totaled 73 percent and 76 percent of total revenue for the years ended December 31, 2024 and 2023, respectively. Each of these five customers individually account for greater than 10 percent of total revenue as of December 31, 2024.

Advertising Expenses. The Company expenses advertising costs as incurred.

Reclassifications. Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 classifications.

Subsequent Events. Subsequent events were evaluated through March 19, 2025, which is the date the financial statements were available to be issued.

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks

The carrying value and fair value of investments in available-for-sale securities at December 31, 2024 and 2023, were as follows:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| 2024 | | | | |
| U.S. Treasury | $ 4,335,009 | $ 5,468 | $ (157,018) | $ 4,183,459 |
| Special revenue | 449,853 | - | (7,000) | 442,853 |
| Industrial and miscellaneous | 6,915,542 | 38,045 | (182,594) | 6,770,993 |
| Loan-backed | 3,484,958 | 10,882 | (124,155) | 3,371,685 |
| Total available-for-sale securities | $ 15,185,362 | $ 54,395 | $ (470,767) | $ 14,768,990 |
| 2023 | | | | |
| U.S. Treasury | $ 5,271,048 | $ 31,016 | $ (189,075) | $ 5,112,989 |
| Special revenue | 647,697 | 188 | (24,590) | 623,295 |
| Industrial and miscellaneous | 6,073,333 | 90,025 | (183,925) | 5,979,433 |
| Loan-backed | 2,530,826 | 20,053 | (130,137) | 2,420,742 |
| Total available-for-sale securities | $ 14,522,904 | $ 141,282 | $ (527,727) | $ 14,136,459 |

The cost and fair value of investments in stocks at December 31, 2024 and 2023, were as follows:

| | Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| 2024 | | | | |
| Common stocks | $ 1,453,677 | $ 1,166,755 | $ (37,719) | $ 2,582,713 |
| 2023 | | | | |
| Common stocks | $ 1,403,183 | $ 1,746,876 | $ (41,582) | $ 3,108,477 |

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

Securities in an Unrealized Loss Position. The following tables show unrealized losses in the Company's portfolio sorted by security type and by length of time that the securities were in an unrealized loss position as of December 31, 2024 and 2023:

| | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| 2024 | | | | | | |
| U.S. Treasury | $ 508,156 | $ (12,647) | $ 1,686,609 | $ (144,371) | $ 2,194,765 | $ (157,018) |
| Special revenue | 149,746 | (106) | 293,106 | (6,894) | 442,852 | (7,000) |
| Industrial and miscellaneous | 1,648,015 | (26,673) | 2,365,161 | (155,921) | 4,013,176 | (182,594) |
| Loan-backed | 1,323,322 | (6,963) | 1,255,600 | (117,192) | 2,578,922 | (124,155) |
| Common stocks | 403,644 | (29,440) | 96,423 | (8,280) | 500,067 | (37,720) |
| | $ 4,032,883 | $ (75,829) | $ 5,696,899 | $ (432,658) | $ 9,729,782 | $ (508,487) |
| 2023 | | | | | | |
| U.S. Treasury | $ - | $ - | $ 2,932,072 | $ (189,075) | $ 2,932,072 | $ (189,075) |
| Special revenue | - | - | 373,287 | (24,590) | 373,287 | (24,590) |
| Industrial and miscellaneous | 242,075 | (1,345) | 2,693,911 | (182,580) | 2,935,986 | (183,925) |
| Loan-backed | 96,539 | (932) | 1,357,137 | (129,205) | 1,453,676 | (130,137) |
| Common stocks | 206,806 | (36,674) | 67,794 | (4,908) | 274,600 | (41,582) |
| | $ 545,420 | $ (38,951) | $ 7,424,201 | $ (530,358) | $ 7,969,621 | $ (569,309) |

The carrying value and fair value of available-for-sale securities at December 31, 2024, by effective maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations.

| | Carrying Value | Fair Value |
|---|---|---|
| Due in one year or less | $ 1,548,634 | $ 1,522,783 |
| Due after one year through five years | 8,761,409 | 8,565,026 |
| Due after five years through ten years | 4,503,901 | 4,324,641 |
| Due after ten years | 371,418 | 356,540 |
| | $ 15,185,362 | $ 14,768,990 |

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

Gains and Losses on Available-For-Sale Securities Sold, Matured, or Repaid. The components of gains (losses) on the sale of investments were as follows:

| | 2024 | 2023 |
|---|---|---|
| Gains | $ 6,316 | $ - |
| Losses | (36,132) | (41,388) |
| Net realized capital losses | $ (29,816) | $ (41,388) |

Summary of Significant Valuation Techniques for Financial Instruments. The following valuation techniques and inputs were used to estimate the fair value of each class of significant financial instruments:

Level 1 Measurements

Available-for-sale securities: Comprised of actively traded U.S. Treasury notes. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Common stocks: Comprised of actively traded common stocks. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Cash equivalents: Comprised of actively traded money market mutual funds that have daily quoted net asset values.

Level 2 Measurements

Available-for-sale securities: Comprised of government obligations, corporate debt, and mortgage-backed securities. Valuation is based on inputs including quoted prices for identical or similar assets in inactive markets. The Company uses a leading, nationally recognized provider of financial market data and analytics to price the Company's bond holdings. However, because many fixed income securities do not trade on a daily basis, the provider's evaluated pricing applications apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations.

## Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

The following is the aggregate fair value for all financial instruments as of December 31, 2024 and 2023:

| Type of Financial Instrument | Aggregate Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| 2024 | | | | |
| Available-for-sale securities | $ 14,768,990 | $ 4,183,459 | $ 10,585,532 | $ - |
| Common stocks | 2,582,713 | 2,582,713 | - | - |
| Cash equivalents | 298,253 | 298,253 | - | - |
| 2023 | | | | |
| Available-for-sale securities | $ 14,136,459 | $ 5,112,989 | $ 9,023,470 | $ - |
| Common stocks | 3,108,477 | 3,108,477 | - | - |
| Cash equivalents | 437,644 | 437,644 | - | - |

Changes in the unrealized gain (loss) on available-for-sale securities during the years ended December 31, 2024 and 2023, reported as a separate component of stockholder's equity, are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning | $ (281,174) | $ (563,221) |
| Increase (decrease) in: | | |
| Net unrealized holding gains (losses) | (29,927) | 387,646 |
| Deferred tax effect related to net unrealized holding gains (losses) | 8,153 | (105,599) |
| Balance, ending | $ (302,948) | $ (281,174) |

## Note 3 ~ Investments in Privately Held Companies

Investment in Healthentic, Inc. As of December 31, 2024 and 2023, the Company is a 20 percent owner on an outstanding share basis and holds one of the five board seats.

Investment in Encara. As of December 31, 2024 and 2023, the Company is a 25 percent owner on an outstanding share basis and holds one of four board seats.

## Note 4 ~ Related Parties

The Company has a Services Agreement with Delta WI whereby Delta WI provides the Company administrative, managerial, and professional services, as well as a well-equipped space. Expenses are based on specific identification or apportioned based on pertinent factors or ratios as determined by internal studies. The Services Agreement was approved by the Office of the Commissioner of Insurance of the State of Wisconsin (the OCI). Expenses are generally settled on a monthly basis. Management believes that its transactions with Delta WI are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company. Expenses based on specific identification were $9,849,665 in 2024 and $5,279,218 in 2023. Expenses apportioned were $18,931,957 in 2024 and $17,859,796 in 2023.

Delta WI collects premiums on behalf of the Company and remits them to the Company on a monthly basis. Total premiums remitted from Delta WI were $45,541,820 in 2024 and $38,342,461 in 2023.

Delta WI also pays commissions on behalf of the Company and the Company reimburses Delta WI on a monthly basis. Total commissions paid by Delta WI were $2,220,637 in 2024 and $1,979,995 in 2023.

Related-party amounts receivable from (payable to) Delta WI, which include state taxes, consist of the following for the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| Wyssta, Inc. | $ 1,147 | $ 1,066 |
| Wyssta Insurance Company, Inc. | 3,043,980 | 2,887,700 |
| Wyssta Investments, Inc. | (606) | (1,596) |
| Wyssta Services, Inc. | (1,210,923) | (1,158,649) |
| | $ 1,833,598 | $ 1,728,521 |

Delta WI holds a one-third ownership share in NorthWinds Technology Solutions, LLC (NorthWinds), a limited liability company that provides IT services to Delta WI and its subsidiaries. As NorthWinds has evolved, so has its billing methodology for services provided to its owners.

In 2024, fees were structured based on newly introduced fixed cost categories, statements of work (SOW), and pass-through items. These fixed costs were further categorized into operating costs, implementation fees, and multi-year conversion fees. In 2023, fees were billed using a combination of per member per month charges, SOW, and pass-through items.

The three owners continue to collaborate on refining cost allocation methods to ensure a fair distribution of expenses.

## Note 4 ~ Related Parties (Continued)

Shown below are the service expenses and balances with NorthWinds as of, or for, the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| IT services billed by NorthWinds: | | |
| Wyssta Insurance Company, Inc. | $ 2,533,960 | $ 1,021,006 |
| Wyssta Services, Inc. | 7,676,604 | 7,012,030 |
| | $ 10,210,564 | $ 8,033,036 |
| Payable to NorthWinds: | | |
| Wyssta Services, Inc. | $ 342,610 | $ 212,875 |

Wyssta Investments, Inc. owns 25 percent of Encara, a company that performs marketing services for various Delta Dental companies with respect to their individual dental insurance products, including Delta WI. Encara is a customer of Wyssta Services, Inc. Shown below are transactions and balances with Encara as of, or for, the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| Dental administrative income | $ 225,000 | $ 249,183 |
| Contract receivable | 44,375 | 37,500 |

The Board of Directors approved, and the Company paid, a non-cumulative, ordinary dividend of $1,500,000 and $0 to Delta WI in 2024 and 2023, respectively.

## Note 5 ~ Liability for Claims Unpaid

Activity in the liability for claims unpaid for the years ended December 31, 2024 and 2023, is summarized as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of year | $ 613,000 | $ 561,000 |
| Incurred related to: | | |
| Current year | 22,770,924 | 20,577,867 |
| Prior years | (77,817) | (40,374) |
| Total incurred | 22,693,107 | 20,537,493 |
| Paid related to: | | |
| Current year | 22,030,925 | 19,964,867 |
| Prior years | 535,182 | 520,626 |
| Total paid | 22,566,107 | 20,485,493 |
| Balance, end of year | $ 740,000 | $ 613,000 |

Note 5 ~ Liability for Claims Unpaid (Continued)

The above schedule does not include claims adjustment expenses since these amounts represent an allocation of general expenses; and therefore, are not monitored on an incurred year basis.

As a result of changes in estimates of insured events in prior years, net claims incurred were decreased by $77,817 and $40,374 in 2024 and 2023, respectively.

The following is information about incurred and paid claims development as of December 31, 2024, as well as the total of incurred but not reported (IBNR) liabilities:

| | Cumulative Incurred Claims ($000's) | | | | | As of 12/31/2024 |
|---|---|---|---|---|---|---|
| Year | 2020 | 2021 | 2022 | 2023 | 2024 | IBNR |
| 2020 | $ 12,105 | $ 12,132 | $ 12,132 | $ 12,132 | $ 12,132 | |
| 2021 | | 14,908 | 14,782 | 14,782 | 14,782 | |
| 2022 | | | 17,072 | 17,032 | 17,032 | |
| 2023 | | | | 20,578 | 20,500 | |
| 2024 | | | | | 22,771 | 407 |
| | | | | Total | $ 87,217 | |

| | Cumulative Paid Claims ($000's) | | | | |
|---|---|---|---|---|---|
| Year | 2020 | 2021 | 2022 | 2023 | 2024 |
| 2020 | $ 11,742 | $ 12,132 | $ 12,132 | $ 12,132 | $ 12,132 |
| 2021 | | 14,358 | 14,782 | 14,782 | 14,782 |
| 2022 | | | 16,511 | 17,032 | 17,032 |
| 2023 | | | | 19,965 | 20,500 |
| 2024 | | | | | 22,031 |
| | | | | Total | 86,477 |
| | | | | Claims unpaid | $ 740 |

Cumulative claims frequency for vision claims is not pertinent to the liability valuation process; and therefore, was not disclosed.

## Note 6 ~ Income Taxes

The Company files a consolidated federal income tax return. The Company files a consolidated state income tax return with its parent, Delta WI.

Income tax expense was as follows:

| | 2024 | 2023 |
|---|---|---|
| Federal | $ 1,641,064 | $ 1,396,271 |
| State | 631,821 | 582,322 |
| Change in deferred taxes | (452,839) | (125,539) |
| | $ 1,820,046 | $ 1,853,054 |

Effective tax rates differ from the federal rate of 21 percent and state rate of 7.9 percent applied to income due to the following:

| | 2024 | 2023 |
|---|---|---|
| Federal statutory rate times income | $ 1,301,118 | $ 1,611,955 |
| Effect of: | | |
| State taxes, net of federal benefit | 361,850 | 494,619 |
| Change in valuation allowance | 147,861 | (275,039) |
| Disallowed travel and entertainment | 12,807 | 28,246 |
| Prior year adjustments | 79 | (11,293) |
| Other | (3,669) | 4,566 |
| Total | $ 1,820,046 | $ 1,853,054 |

Note 6 ~ Income Taxes (Continued)

The items that gave rise to the deferred tax assets (liabilities) for the years ended December 31, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---|---|
| Deferred tax assets: | | |
| Claims unpaid and unpaid claim adjustment expenses | $ 3,235 | $ 2,636 |
| Premiums received in advance | 46,641 | 40,530 |
| Net operating loss carryforward | 3,028 | 3,459 |
| Capital loss carryforward | 8,316 | - |
| Loss on common stocks | 2,688,951 | 2,531,973 |
| Loss on investment in Healthentic, Inc. | 1,047,425 | 1,075,152 |
| Loss on investment in Encara | 534,059 | 539,723 |
| Unrealized loss on available-for-sale securities | 113,424 | 105,271 |
| Software section 174 | 177,173 | - |
| Unusual and infrequent | 302,990 | - |
| Compensation accruals | 113,641 | 115,411 |
| Total deferred tax assets | 5,038,883 | 4,414,155 |
| Valuation allowance | (4,336,760) | (4,188,899) |
| Deferred tax liabilities: | | |
| Cloud computing arrangement | (15,484) | - |
| Other – net | (1,106) | (711) |
| Total deferred tax liabilities | (16,590) | (711) |
| Net deferred tax assets | $ 685,533 | $ 224,545 |

Federal income taxes which would be available for recoupment in the event of future tax losses are approximately $1,641,000 and $1,286,000 for 2024 and 2023, respectively.

The Company's federal income tax returns for 2021 – 2024, and state tax returns for 2020 – 2024, are subject to examination by tax authorities generally three years after they were filed for federal, and four years for state. As of December 31, 2024, the Company had not identified any material loss contingencies arising from uncertain tax positions.

## Note 6 ~ Income Taxes (Continued)

For state income purposes, the Company records a receivable from (payable to) Delta WI for the Company's portion of state income taxes. At December 31, the balances were as follows:

| | 2024 | 2023 |
|---|---|---|
| Wyssta, Inc. | $ 1,259 | $ 1,243 |
| Wyssta Insurance Company, Inc. | (169,142) | (136,322) |
| Wyssta Investments, Inc. | 2,914 | 2,818 |
| Wyssta Services, Inc. | (77,461) | 47,185 |
| | $ (242,430) | $ (85,076) |

The Company is considered a nonapplicable reporting entity under the Corporate Alternative Minimum Tax (CAMT) regulations; and therefore, has not included any provision for CAMT.

## Note 7 ~ Disaggregation of Revenues

In the following table, revenue is disaggregated by service line for the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| Administration revenues | $ 33,113,105 | $ 28,622,551 |
| Inside sales revenues | 3,631,924 | 3,125,396 |
| IT programming revenues | 232,000 | 370,221 |
| | $ 36,977,029 | $ 32,118,168 |

## Note 8 ~ Transactions with EyeMed

The Company rents a vision network from, and outsources claim administration to, EyeMed. In 2021, the Company and EyeMed also entered into a reinsurance agreement for the state of Wisconsin vision plan. Transactions related to these agreements are as follows:

| | 2024 | 2023 |
|---|---|---|
| Vision network and claims administration | $ 1,951,240 | $ 1,759,634 |
| Reinsurance agreement transactions: | | |
| Premium ceded | 7,369,721 | 6,718,456 |
| Claims ceded | 6,290,246 | 5,730,987 |

## Note 9 ~ Cloud Computing Arrangement

The Company entered into an agreement with Penrod Inc. in December 2023 to build and implement the Salesforce Marketing and Service Cloud. The cloud computing agreement is a service contract that does not include a license for the hosted software. Both the Marketing and Service Cloud were implemented in 2024 and provide a user-friendly interface for the call center agents to improve efficiency and increase customer satisfaction. The implementation costs are amortized over five years using a straight-line amortization method. The Company had amortization costs of $35,950 at December 31, 2024. The Company had prepaid expenses of $250,000 at December 31, 2023, related to the agreement.

The next phase of the project is the implementation of the Sales Cloud, for which the Company had prepaid expenses of $130,142 at December 31, 2024. The remaining cost of implementation is unknown at this time. The Company expects the implementation to occur in late 2025 or early 2026.

## Note 10 ~ Statutory Net Income and Capital and Surplus

GAAP differs in certain respects from the accounting practices prescribed or permitted by insurance regulatory authorities (statutory basis). Statutory net income for Wyssta Insurance Company, Inc., a wholly-owned subsidiary of Wyssta, Inc., was $3,371,284 and $3,981,508 in 2024 and 2023, respectively, and statutory surplus was $22,868,303 and $20,850,667 as of December 31, 2024 and 2023, respectively.

Wyssta Insurance Company, Inc. is required to maintain minimum capital and surplus established by the OCI. Wyssta Insurance Company, Inc. is also subject to risk-based capital (RBC) requirements promulgated by the NAIC and adopted by the OCI. The RBC standards establish uniform minimum capital and surplus requirements for insurance companies. The RBC formula applies various weighting factors to financial balances or various levels of activities based on the perceived degree of risk. At December 31, 2024 and 2023, Wyssta Insurance Company, Inc.'s capital and surplus exceeded the minimum levels required by the OCI and RBC standards.

## Note 11 ~ Unusual and Infrequent

On July 24, 2024, the Company transitioned to a cloud-based claim pricing system in partnership with the Delta Dental Plans Association (DDPA), which serves as the central hub for processing claims across all DDPA member companies. During this transition, a program logic error resulted in payments being issued to patients instead of providers. A total of $2,027,494 in erroneous payments was issued to patients. To date, the Company has recovered $915,236 and has recorded an unusual and infrequent event expense of $1,112,258. Efforts to recoup the remaining balance are ongoing. The Company has not recognized a receivable for the outstanding amounts and will record any recoveries in 2025.

## Note 12 ~ Change Healthcare

On February 21, 2024, the Company's print vendor, Change Healthcare (CHC), experienced an outage due to a security breach that interrupted printing services for an extended period. The Company developed remediation solutions using alternative vendors to continue operations, incurring additional direct expenses of approximately $1,549,000. At December 31, 2024, the additional direct expenses are reported in the following categories of the income statement:

| | | |
|---|---|---|
| Dental and vision administrative income | $ | 365,800 |
| Payroll and benefits | | 762,000 |
| Professional and contract services | | 82,600 |
| Printing and postage | | 338,600 |
| | $ | 1,549,000 |

The Company is seeking reimbursement from CHC for these additional costs.

## Note 13 ~ Subsequent Event – Class Action Lawsuit

On January 29, 2025, the Company was notified that a purported class action lawsuit had been filed against the Company on January 23, 2025, in the United States District Court. The complaint alleges that certain tracking technologies allegedly deployed on a website used by the Company violated the Illinois Eavesdropping Statute and the Electronic Communications Privacy Act. The Company believes the claims are meritless and intends to vigorously defend the case. At this point in the proceedings, the Company cannot reasonably estimate the range of amount of any potential loss.

STROHM BALLWEG

# INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors and Stockholder
Wyssta, Inc. and Subsidiaries
Stevens Point, Wisconsin

We have audited the consolidated financial statements of Wyssta, Inc. and Subsidiaries as of, and for, the year ended December 31, 2024, and our report thereon dated March 19, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information on pages 26 through 29 is presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the consolidated financial statements. 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Strohm Ballweg, LLP

Madison, Wisconsin
March 19, 2025

| | Wyssta, Inc. | Wyssta Insurance Company, Inc. | Wyssta Investments, Inc. | Wyssta Services, Inc. | Eliminations | Consolidated 2024 | Consolidated 2023 |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Cash and cash equivalents | $ 729,555 | $ 7,285,154 | $ 857,368 | $ 4,448,853 | $ - | $ 13,320,930 | $ 11,002,821 |
| Investment – other | - | - | - | 4,000,000 | - | 4,000,000 | 4,000,000 |
| Investment income due and accrued | - | 116,410 | - | 47,480 | - | 163,890 | 148,679 |
| Uncollected premiums | - | 137,215 | - | - | - | 137,215 | 113,962 |
| Contracts receivable | - | - | - | 6,092,275 | - | 6,092,275 | 6,193,996 |
| Receivable from Delta Dental of WI, Inc. | 1,147 | 3,043,980 | (606) | (1,210,923) | - | 1,833,598 | 1,728,521 |
| Prepaid expenses | - | 28,420 | - | 132,475 | - | 160,895 | 57,649 |
| Cloud computing arrangement | - | - | - | 185,584 | - | 185,584 | - |
| Federal income tax recoverable | - | - | - | - | - | - | 323,156 |
| Intercompany balances | 330,393 | (248,903) | 5,762 | (87,252) | - | - | - |
| Total current assets | 1,061,095 | 10,362,276 | 862,524 | 13,608,492 | - | 25,894,387 | 23,568,784 |
| Deferred tax assets | 172 | 174,681 | 2,856 | 507,824 | - | 685,533 | 224,545 |
| Cloud computing arrangement | - | - | - | 836,528 | - | 836,528 | 250,000 |
| Available-for-sale securities | - | 14,768,990 | - | - | - | 14,768,990 | 14,136,459 |
| Common stocks | - | 1,697,153 | 885,560 | - | - | 2,582,713 | 3,108,477 |
| Investment in Healthentic, Inc. | - | - | 554,970 | - | - | 554,970 | 453,186 |
| Investment in Encara Corporation | - | - | 139,504 | - | - | 139,504 | 118,712 |
| Investment in Wyssta Insurance Company, Inc. | 22,601,848 | - | - | - | (22,601,848) | - | - |
| Investment in Wyssta Investments, Inc. | 2,432,094 | - | - | - | (2,432,094) | - | - |
| Investment in Wyssta Services, Inc. | 10,048,208 | - | - | - | (10,048,208) | - | - |
| Total assets | $ 36,143,417 | $ 27,003,100 | $ 2,445,414 | $ 14,952,844 | $ (35,082,150) | $ 45,462,625 | $ 41,860,163 |

| | Wyssta, Inc. | Wyssta Insurance Company, Inc. | Wyssta Investments, Inc. | Wyssta Services, Inc. | Eliminations | Consolidated 2024 | Consolidated 2023 |
|---|---|---|---|---|---|---|---|
| LIABILITIES | | | | | | | |
| Claims unpaid | $ - | $ 740,000 | $ - | $ - | $ - | $ 740,000 | $ 613,000 |
| Unpaid claims adjustment expenses | - | 91,000 | - | - | - | 91,000 | 64,000 |
| Accounts payable and accrued expenses | 13,297 | 2,645,190 | 13,320 | 1,922,802 | - | 4,594,609 | 4,419,510 |
| Accrued compensation expenses | - | 68,985 | - | 1,554,319 | - | 1,623,304 | 1,462,566 |
| Payable to NorthWinds Technology Consulting, LLC | - | - | - | 342,610 | - | 342,610 | 212,875 |
| Contract payable | - | - | - | 1,084,905 | - | 1,084,905 | 1,071,055 |
| Deferred revenue | - | 856,077 | - | - | - | 856,077 | 743,918 |
| Federal income tax payable | 2,905 | - | - | - | - | 2,905 | - |
| Total liabilities | 16,202 | 4,401,252 | 13,320 | 4,904,636 | - | 9,335,410 | 8,586,924 |
| STOCKHOLDER'S EQUITY | | | | | | | |
| Common stock | - | 1,250,000 | 19,000,000 | 6,500 | (20,256,500) | - | - |
| Additional paid-in capital | 29,200,000 | 4,750,000 | - | 3,793,500 | (8,543,500) | 29,200,000 | 29,200,000 |
| Retained earnings | 7,230,163 | 16,904,796 | (16,567,906) | 6,248,208 | (6,585,098) | 7,230,163 | 4,354,413 |
| Accumulated other comprehensive income (loss) | (302,948) | (302,948) | - | - | 302,948 | (302,948) | (281,174) |
| Total stockholder's equity | 36,127,215 | 22,601,848 | 2,432,094 | 10,048,208 | (35,082,150) | 36,127,215 | 33,273,239 |
| Total liabilities and stockholder's equity | $ 36,143,417 | $ 27,003,100 | $ 2,445,414 | $ 14,952,844 | $ (35,082,150) | $ 45,462,625 | $ 41,860,163 |

| | Wyssta, Inc. | Wyssta Insurance Company, Inc. | Wyssta Investments, Inc. | Wyssta Services, Inc. | Eliminations | Consolidated 2024 | Consolidated 2023 |
|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | |
| Dental administrative income | $ - | $ - | $ - | $ 36,977,029 | $ - | $ 36,977,029 | $ 32,118,168 |
| Insurance revenues: | | | | | | | |
| Risk premiums earned | - | 42,376,391 | - | - | - | 42,376,391 | 38,306,903 |
| Administrative-services-only (ASO) fees | - | 65,942 | - | - | - | 65,942 | 63,111 |
| ASO claims reimbursed | - | 53,189 | - | - | - | 53,189 | 52,617 |
| Gross insurance revenues | - | 42,495,522 | - | - | - | 42,495,522 | 38,422,631 |
| ASO claims incurred | - | (53,189) | - | - | - | (53,189) | (52,617) |
| Reinsurance ceded | - | (7,369,721) | - | - | - | (7,369,721) | (6,718,456) |
| Net reinsurance revenues | - | 35,072,612 | - | - | - | 35,072,612 | 31,651,558 |
| Investment revenues: | | | | | | | |
| Interest and dividend income | - | 613,732 | - | 121,742 | - | 735,474 | 437,625 |
| Net realized loss on sale of available-for-sale securities | - | (29,816) | - | - | - | (29,816) | (41,388) |
| Net unrealized holding gain (loss) on common stocks | - | 89,108 | (665,367) | - | - | (576,259) | 919,774 |
| Net realized gain (loss) on sale of common stocks | - | (728) | - | - | - | (728) | 30,115 |
| Gain on wholly-owned subsidiaries | 4,387,059 | - | - | - | (4,387,059) | - | - |
| Gain on investment in Healthentic, Inc. | - | - | 101,784 | - | - | 101,784 | 107,082 |
| Gain (loss) on investment in Encara Corporation | - | - | 20,792 | - | - | 20,792 | (54,791) |
| Total investment revenues | 4,387,059 | 672,296 | (542,791) | 121,742 | (4,387,059) | 251,247 | 1,398,417 |
| Total revenues | $ 4,387,059 | $ 35,744,908 | $ (542,791) | $ 37,098,771 | $ (4,387,059) | $ 72,300,888 | $ 65,168,143 |

| | Wyssta, Inc. | Wyssta Insurance Company, Inc. | Wyssta Investments, Inc. | Wyssta Services, Inc. | Eliminations | Consolidated 2024 | Consolidated 2023 |
|---|---|---|---|---|---|---|---|
| EXPENSES | | | | | | | |
| Risk claims incurred | $ - | $ 28,983,353 | $ - | $ - | $ - | $ 28,983,353 | $ 26,268,480 |
| Reinsurance recoveries | - | (6,290,246) | - | - | - | (6,290,246) | (5,730,987) |
| Claim adjusting and vision administration fee | - | 2,031,429 | - | - | - | 2,031,429 | 1,820,251 |
| Payroll and benefits | 1,194 | 952,467 | 14,104 | 17,824,314 | - | 18,792,079 | 17,379,697 |
| Professional and contract services | 13,739 | 2,032,704 | 14,119 | 10,317,104 | - | 12,377,666 | 11,644,754 |
| Computer hardware and software | 35 | 865,544 | 51 | 3,543,424 | - | 4,409,054 | 2,042,783 |
| Commissions | - | 2,197,404 | - | - | - | 2,197,404 | 1,999,020 |
| Reinsurance ceded commissions | - | (1,079,475) | - | - | - | (1,079,475) | (987,469) |
| Occupancy | 128 | 91,983 | 1,457 | 922,538 | - | 1,016,106 | 1,016,723 |
| Printing and postage | - | 75,484 | - | 758,904 | - | 834,388 | 355,549 |
| Advertising | - | 638,990 | - | 245 | - | 639,235 | 595,139 |
| Interest expense | 17 | 11,615 | 192 | 125,454 | - | 137,278 | 150,912 |
| Unusual and infrequent | - | - | - | 1,112,258 | - | 1,112,258 | - |
| Other | 431 | 405,101 | 432 | 538,599 | - | 944,563 | 937,315 |
| Total expenses | 15,544 | 30,916,353 | 30,355 | 35,142,840 | - | 66,105,092 | 57,492,167 |
| Net income (loss) before income tax expense (benefit) | 4,371,515 | 4,828,555 | (573,146) | 1,955,931 | (4,387,059) | 6,195,796 | 7,675,976 |
| Income tax expense (benefit) | (4,235) | 1,311,960 | (8,269) | 520,590 | - | 1,820,046 | 1,853,054 |
| Net income (loss) | $ 4,375,750 | $ 3,516,595 | $ (564,877) | $ 1,435,341 | $ (4,387,059) | $ 4,375,750 | $ 5,822,922 |