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

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of 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)

Part II Basic Plan Information—enter all requested information

1a Name of plan
RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 07/01/1991

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)
RE/SPEC INC.

3824 JET DR
RAPID CITY, SD 57703-4757

2b Employer Identification Number (EIN) 46-0315848

2c Plan Sponsor's telephone number 605-394-6400

2d Business code (see instructions) 541330

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.	10/14/2021	PHILIP WELLING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2021	PHILIP WELLING
	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

c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	315
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)**	272
a(2) Total number of active participants at the end of the plan year	**6a(2)**	361
b Retired or separated participants receiving benefits	**6b**	9
c Other retired or separated participants entitled to future benefits	**6c**	54
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	424
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**	**6f**	425
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	422
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	22
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2I 2K 2O 2Q 3H 3I

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

9a Plan funding arrangement (check all that apply)

- **(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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [X] **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 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2020** **This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
RE/SPEC INC.

D Employer Identification Number (EIN)
46-0315848

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE H (Form 5500)

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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
RE/SPEC INC.

D Employer Identification Number (EIN)
46-0315848

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	45637
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	61	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	50289	182765
(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)**	20332070	29262566
	(2) Employer real property	**1d(2)**		
e	Buildings and other property used in plan operation	**1e**		
f	Total assets (add all amounts in lines 1a through 1e)	**1f**	20382420	29490968
	Liabilities			
g	Benefit claims payable	**1g**	0	
h	Operating payables	**1h**	0	
i	Acquisition indebtedness	**1i**	0	
j	Other liabilities	**1j**	0	
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	20382420	29490968

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)**	1406525	
	(B) Participants	**2a(1)(B)**	0	
	(C) Others (including rollovers)	**2a(1)(C)**	0	
	(2) Noncash contributions	**2a(2)**	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	**2a(3)**		1406525
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	**2b(1)(A)**	216	
	(B) U.S. Government securities	**2b(1)(B)**	0	
	(C) Corporate debt instruments	**2b(1)(C)**	0	
	(D) Loans (other than to participants)	**2b(1)(D)**	0	
	(E) Participant loans	**2b(1)(E)**	0	
	(F) Other	**2b(1)(F)**	1	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	**2b(1)(G)**		217
	(2) Dividends: **(A)** Preferred stock	**2b(2)(A)**	0	
	(B) Common stock	**2b(2)(B)**	0	
	(C) Registered investment company shares (e.g. mutual funds)	**2b(2)(C)**	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	**2b(2)(D)**		0
	(3) Rents	**2b(3)**		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	**2b(4)(A)**	0	
	(B) Aggregate carrying amount (see instructions)	**2b(4)(B)**	0	
	(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)**	0	
	(B) Other	**2b(5)(B)**	1443357	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	**2b(5)(C)**		1443357

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		2850099
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	785697	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		785697
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		785697
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		2064402
l Transfers of assets:			
(1) To this plan	2l(1)		7626205
(2) From this plan	2l(2)		582059

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: KETEL THORSTEN, LLP **(2)** EIN: 46-0257538

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, 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.

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	0

			Yes	No	Amount
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	0
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	0
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	0
e	Was this plan covered by a fidelity bond?	4e	X		2000000
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	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

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

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
RE/SPEC INC EMPLOYEE 401(K) RETIREMENT PLAN	46-0315848	001

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

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

SCHEDULE R (Form 5500)

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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
RE/SPEC INC.

D Employer Identification Number (EIN)
46-0315848

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): 42-0127290

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 contributed more than 5% of total contributions to the plan during the plan year (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) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

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_____

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020 AND 2019

Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
ktllp.com

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

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Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants

810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: ktllp@ktllp.com

INDEPENDENT AUDITOR'S REPORT

To the ESOP Committee of
RE/SPEC Inc. Employee Stock Ownership Plan
Rapid City, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of **RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of **RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN** as of December 31, 2020 and 2019, and the changes in net assets available for benefits for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KETEL THORSTENSON, LLP
Certified Public Accountants

October 12, 2021

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
Assets		
Cash	**$ 182,765**	$ 50,351
Investment in RE/SPEC Inc. Common Stock, at Fair Value (Notes 5 and 6)	**29,262,566**	20,332,070
Employer Contributions Receivable (369.08 shares of Common Stock at Fair Value)	**45,637**	-
Total Assets	**29,490,968**	20,382,421
Net Assets Available For Plan Benefits	**$ 29,490,968**	$ 20,382,421

The accompanying notes are an integral part of these statements.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2020

Additions to Net Assets		
Net Unrealized Appreciation in Market Value of Investments	$	1,443,357
Employer Contributions		1,406,525
Interest Income		217
Total Additions		**2,850,099**
Deductions from Net Assets		
Distributions		785,698
Diversifications		582,059
Total Deductions		**1,367,757**
Net Increase		**1,482,342**
Transfers of Plan Assets Due to Merger (Note 10)		7,626,205
Net Assets Available for Benefits - Beginning of Year		20,382,421
Net Assets Available for Benefits - End of Year	**$**	**29,490,968**

The accompanying notes are an integral part of this statements.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) Plan Description

The following brief description of the RE/SPEC Inc. (the Company) Employee Stock Ownership Plan (the Plan or the ESOP) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

The Company is a consulting and services firm with expertise in mining and energy, water and natural resources, and data technology solutions. Work is regularly performed for clients throughout the United States, Canada, and other countries. The Company provides solutions to both governmental and commercial entities through time-and-materials, cost plus fixed fee, fixed price and deliverable type contracts.

Effective June 2020, the Plan was amended to allow the merger of PDC Inc. Engineers Employee Stock Ownership (PDC ESOP) Plan into the RE/SPEC Inc. Employee Stock Ownership Plan. As a result, all investments were transferred into the Plan on that date (Note 9).

Eligibility

Employees of the Company and its participating subsidiaries are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours as of their first anniversary date. Plan entry is offered to eligible employees on January 1 and July 1 of each year. Participants must also have 1,000 hours of credited service during the Plan year and be employed on the last day of the Plan year to participate in the allocation of contributions for such year. Employees classified as Staff Augmentation Employees are not eligible to participate in the Plan.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representative), becomes disabled, or otherwise terminates employment with the Company or its participating subsidiaries, unless an election to diversify is made. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash. Vested benefit payments to terminated employees scheduled to be paid during the following plan year total approximately $3,687,000.

Distributions will be made in a lump sum for amounts up to $50,000 or five substantially equal annual installments over a five-year period for amounts in excess of $50,000 with the minimum annual installment being the lesser of the participant's remaining balance or $50,000. The period in which installments may be distributed may be extended up to an additional five years, for each $220,000 or fraction thereof by which the participant's aggregate account exceeds $1,105,000. Upon termination of employment, the Company may convert the vested shares to cash and deposit the cash value in a conversion account until a disbursement is requested by the individual or the five year disbursement threshold has been met. For account balances between $1,000 and $5,000, the balance will be distributed or rolled into an individual retirement plan as soon as practicable in the plan year following termination. Account balances less than $1,000 will be distributed as soon as administratively feasible.

Diversification

Diversification is offered to active participants close to retirement age so they may have the opportunity to move part of the value of their investment in Company stock into the RE/SPEC Inc. 401(k) Plan, which is more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent and each Plan year thereafter. Participants who elect to diversify receive a direct rollover to the RE/SPEC Inc. 401(k) Plan. At December 31, 2020 and 2019, participants' accounts eligible for diversification totaled approximately **$3,197,000** and $3,479,000 respectively.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(1) Plan Description (Continued)

Voting Rights

Each participant is entitled to exercise voting rights on corporate matters relating to corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of the business. Each participant will be notified in advance by the Trustee to vote the shares attributable to his or her ESOP account. The Trustee is permitted to vote the shares for which instructions have not been given by the participant. The Trustee is required to vote any unallocated shares on behalf of the collective best interests of the Plan participants and beneficiaries.

Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation and years of service. At December 31, 2020 and 2019, all of the Plan's shares have been allocated. During the years ended December 31, 2020 and 2019, **32.97** and 738.37 shares, relating to forfeitures of terminated non-vested account balances, were allocated to remaining participants.

Plan earnings or losses are allocated to each participant's account based on the ratio of the participant's beginning of the year share balance to all participants' beginning of the year share balances.

Vesting

A participant is 20 percent vested after one year of credited service, and continues to vest at 20 percent increments until they become fully vested after five years of credited service, or if less than five years of credited service, upon reaching retirement age, upon total and permanent disability or death, or upon termination of the Plan.

As a part of the merger that occurred with the PDC ESOP, each participant's shares in the PDC ESOP were rolled over into the Plan. These shares are subject to the vesting schedule established by the PDC ESOP prior to the merger. These participant accounts are 25 percent vested after two years of credited services, and continue to vest at 25 percent increments until they become fully vested after five years of credited service, or if less than five years of credited service, upon reaching retirement age, upon total and permanent disability or death, or upon termination of the Plan.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan is not readily tradable on an established market; therefore, participants have a put option to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years at the share price in effect. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(1) Plan Description (Concluded)

Contributions

The Plan allows participants of the RE/SPEC Inc. 401(k) Retirement Plan to elect to redirect Company 401(k) matching contributions to the ESOP. Participants must make an annual election to have Company matching funds directed to the ESOP. For the plan years ended December 31, 2020 and 2019, the Company matched 100 percent of the first six percent of electing participant's compensation. All Plan eligible employees may elect to assign recognition for the Company's 401(k) match to the ESOP Plan.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements. Actual results may differ from those estimates.

Risks and Uncertainties

Investments are exposed to various risks, such as interest, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value on December 31, 2020 and 2019. Fair value is determined by annual independent appraisals (Note 6). Due to complexities inherent in valuing the stock of any nonpublic company, it is reasonably possible the value of the Plan's investments may change in the near term. Furthermore, the current appraisals are based on facts and conditions which existed at the date of the appraisals. It is reasonably possible these conditions may change in the near term.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Substantially all operating expenses of the Plan are paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan Administrator has evaluated subsequent events through October 12, 2021, the date which the financial statements were available to be issued.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(2) Summary of Significant Accounting Policies (Continued)

Accounting Standard Adopted

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2018-13, Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements. The Plan adopted ASU 2018-13 on a retrospective basis as of January 1, 2020. The effect of adopting this guidance resulted in the modification or removal of certain fair value measurement disclosures presented in the Plan's financial statements.

(**3) Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated April 16, 2014, the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (IRC). Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualifications. The Plan has been amended since receiving the determination letter; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan is qualified, and the related trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Company has taken a significant uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(4) Administration of Plan Assets

The Plan's assets, which consist principally of the Company's common shares, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received and makes distributions to participants.

(5) Investment

The Plan's investment in the Company's common shares is as follows at December 31:

		2020		**2019**
Number of Shares		**236,656**		168,591
Cost	**$**	**8,762,744**	$	1,275,544
Estimated Fair Value	**$**	**29,262,566**	$	20,332,070

During plan years ended December 31, 2020 and 2019, **68,065** and -0- new shares were issued, respectively. There were -0- shares retired from the Plan during the plan years ended December 31, 2020 and 2019. All shares are allocated at December 31, 2020 and 2019.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(6) Fair Value

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 FASB ASC 820 are described as follows:

- Level One: 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 Two: inputs include
    1. quoted prices for similar assets or liabilities in active markets;
    2. quoted prices for identical or similar assets or liabilities in inactive markets;
    3. inputs other than quoted prices that are observable for the asset or liability;
    4. 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 Three: inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset 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.

Due to the use of unobservable inputs and the level of risk associated with such inputs, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

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

December 31, 2020:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in RE/SPEC Inc. Common Stock	$ -	$ -	$ 29,262,566	**$ 29,262,566**
Total assets in the fair value hierarchy	$ -	$ -	$ 29,262,566	**$ 29,262,566**

December 31, 2019:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in RE/SPEC Inc. Common Stock	$ -	$ -	$ 20,332,070	$ 20,332,070
Total assets in the fair value hierarchy	$ -	$ -	$ 20,332,070	$ 20,332,070

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, 2020 and 2019.

The fair value of the Plan Sponsor's common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparisons, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(7) Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The only asset carried at fair value on a recurring basis is the investment in the RE/SPEC Inc. common stock and any short-term investments held in terminated participants' accounts that have been segregated. The following methods and assumptions were used to estimate the fair value of the asset at December 31, 2020 and 2019.

The change in fair value of the Level Three financial assets for the years ended December 31 is as follows:

Balance -- December 31, 2018	$ 16,252,001
Distributions to Participants, Net of Segregated Cash Balances	(808,448)
Diversification	(259,317)
Employer Contributions	1,152,228
Net Unrealized Appreciation in Market Value of Investments	3,995,606
Balance -- December 31, 2019	20,332,070
Distributions to Participants, Net of Segregated Cash Balances	(917,895)
Diversification	(582,059)
Employer Contributions	1,406,525
ESOP Merger Contributions	7,626,205
Net Unrealized Appreciation in Market Value of Investments	1,443,357
Balance -- December 31, 2020	**$ 29,308,203**
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 1,443,357

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

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, 2020 and 2019.

The fair value of the Plan Sponsor's common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparisons, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP committee and key Company personnel, reviews in detail, discusses and approves.

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

(8) Related Party and Party-In-Interest Transactions

The Plan invests in Company common stock. Resulting transactions are related party and party-in-interest transactions. As described in Note 2, the Company pays all plan expenses. The Plan's service provider is also a party-in-interest under ERISA.

(9) Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the ESOP Committee directs the Trustee to pay all liabilities and expenses of the ESOP. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or their respective beneficiary at the time prescribed by the Plan terms and the IRC. In the event of Plan termination, participants will become 100 percent vested in their accounts.

(10) Employee Stock Ownership Plan Merger

On May 8, 2020 the Company acquired all of the shares of in PDC Inc. (PDC). PDC was a 100 percent employee-owned company with stock held in trust by the PDC Inc. Engineers Employee Stock Ownership Plan (PDC ESOP). The acquisition was completed exchanging 68,065 of RE/SPEC Inc. shares for 100 percent of the 76,400 outstanding shares of PDC, which were valued at $98 per share. The purchase price for this stock-for-stock transaction was accounted for using a stock exchange value of $7,487,200 based on an estimated $110 per share value of RE/SPEC Inc. shares at May 8, 2020.

Prior to the merger of the PDC and RE/SPEC ESOP plans, the PDC ESOP was leveraged with notes payable. As a part of the merger, RE/SPEC loaned PDC $6,000,000 immediately prior to close in order to allow PDC to settle debts internal to PDC's ESOP.

SUPPLEMENTAL SCHEDULE

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

EIN 46-0315848, PN 002
FORM 5500, SCHEDULE H, ITEM 4i

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2020

	ISSUER	DESCRIPTION OF ASSETS		COST		CURRENT VALUE
*	Re/Spec Inc.	Common Stock - 236,656 Shares	$	8,762,744	$	29,262,566
					$	**29,262,566**

* Represents a Party-In-Interest, as defined by the Employee Retirement Income Security Act of 1974, as amended.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020 AND 2019

Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
ktllp.com

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

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Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants

810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: ktllp@ktllp.com

INDEPENDENT AUDITOR'S REPORT

To the ESOP Committee of
RE/SPEC Inc. Employee Stock Ownership Plan
Rapid City, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of **RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of **RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN** as of December 31, 2020 and 2019, and the changes in net assets available for benefits for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KETEL THORSTENSON, LLP
Certified Public Accountants

October 12, 2021

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
Assets		
Cash	**$ 182,765**	$ 50,351
Investment in RE/SPEC Inc. Common Stock, at Fair Value (Notes 5 and 6)	**29,262,566**	20,332,070
Employer Contributions Receivable (369.08 shares of Common Stock at Fair Value)	**45,637**	-
Total Assets	**29,490,968**	20,382,421
Net Assets Available For Plan Benefits	**$ 29,490,968**	$ 20,382,421

The accompanying notes are an integral part of these statements.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2020

Additions to Net Assets		
Net Unrealized Appreciation in Market Value of Investments	$	1,443,357
Employer Contributions		1,406,525
Interest Income		217
Total Additions		**2,850,099**
Deductions from Net Assets		
Distributions		785,698
Diversifications		582,059
Total Deductions		**1,367,757**
Net Increase		**1,482,342**
Transfers of Plan Assets Due to Merger (Note 10)		7,626,205
Net Assets Available for Benefits - Beginning of Year		20,382,421
Net Assets Available for Benefits - End of Year	**$**	**29,490,968**

The accompanying notes are an integral part of this statements.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) Plan Description

The following brief description of the RE/SPEC Inc. (the Company) Employee Stock Ownership Plan (the Plan or the ESOP) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

The Company is a consulting and services firm with expertise in mining and energy, water and natural resources, and data technology solutions. Work is regularly performed for clients throughout the United States, Canada, and other countries. The Company provides solutions to both governmental and commercial entities through time-and-materials, cost plus fixed fee, fixed price and deliverable type contracts.

Effective June 2020, the Plan was amended to allow the merger of PDC Inc. Engineers Employee Stock Ownership (PDC ESOP) Plan into the RE/SPEC Inc. Employee Stock Ownership Plan. As a result, all investments were transferred into the Plan on that date (Note 9).

Eligibility

Employees of the Company and its participating subsidiaries are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours as of their first anniversary date. Plan entry is offered to eligible employees on January 1 and July 1 of each year. Participants must also have 1,000 hours of credited service during the Plan year and be employed on the last day of the Plan year to participate in the allocation of contributions for such year. Employees classified as Staff Augmentation Employees are not eligible to participate in the Plan.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representative), becomes disabled, or otherwise terminates employment with the Company or its participating subsidiaries, unless an election to diversify is made. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash. Vested benefit payments to terminated employees scheduled to be paid during the following plan year total approximately $3,687,000.

Distributions will be made in a lump sum for amounts up to $50,000 or five substantially equal annual installments over a five-year period for amounts in excess of $50,000 with the minimum annual installment being the lesser of the participant's remaining balance or $50,000. The period in which installments may be distributed may be extended up to an additional five years, for each $220,000 or fraction thereof by which the participant's aggregate account exceeds $1,105,000. Upon termination of employment, the Company may convert the vested shares to cash and deposit the cash value in a conversion account until a disbursement is requested by the individual or the five year disbursement threshold has been met. For account balances between $1,000 and $5,000, the balance will be distributed or rolled into an individual retirement plan as soon as practicable in the plan year following termination. Account balances less than $1,000 will be distributed as soon as administratively feasible.

Diversification

Diversification is offered to active participants close to retirement age so they may have the opportunity to move part of the value of their investment in Company stock into the RE/SPEC Inc. 401(k) Plan, which is more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent and each Plan year thereafter. Participants who elect to diversify receive a direct rollover to the RE/SPEC Inc. 401(k) Plan. At December 31, 2020 and 2019, participants' accounts eligible for diversification totaled approximately **$3,197,000** and $3,479,000 respectively.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(1) Plan Description (Continued)

Voting Rights

Each participant is entitled to exercise voting rights on corporate matters relating to corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of the business. Each participant will be notified in advance by the Trustee to vote the shares attributable to his or her ESOP account. The Trustee is permitted to vote the shares for which instructions have not been given by the participant. The Trustee is required to vote any unallocated shares on behalf of the collective best interests of the Plan participants and beneficiaries.

Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation and years of service. At December 31, 2020 and 2019, all of the Plan's shares have been allocated. During the years ended December 31, 2020 and 2019, **32.97** and 738.37 shares, relating to forfeitures of terminated non-vested account balances, were allocated to remaining participants.

Plan earnings or losses are allocated to each participant's account based on the ratio of the participant's beginning of the year share balance to all participants' beginning of the year share balances.

Vesting

A participant is 20 percent vested after one year of credited service, and continues to vest at 20 percent increments until they become fully vested after five years of credited service, or if less than five years of credited service, upon reaching retirement age, upon total and permanent disability or death, or upon termination of the Plan.

As a part of the merger that occurred with the PDC ESOP, each participant's shares in the PDC ESOP were rolled over into the Plan. These shares are subject to the vesting schedule established by the PDC ESOP prior to the merger. These participant accounts are 25 percent vested after two years of credited services, and continue to vest at 25 percent increments until they become fully vested after five years of credited service, or if less than five years of credited service, upon reaching retirement age, upon total and permanent disability or death, or upon termination of the Plan.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan is not readily tradable on an established market; therefore, participants have a put option to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years at the share price in effect. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(1) Plan Description (Concluded)

Contributions

The Plan allows participants of the RE/SPEC Inc. 401(k) Retirement Plan to elect to redirect Company 401(k) matching contributions to the ESOP. Participants must make an annual election to have Company matching funds directed to the ESOP. For the plan years ended December 31, 2020 and 2019, the Company matched 100 percent of the first six percent of electing participant's compensation. All Plan eligible employees may elect to assign recognition for the Company's 401(k) match to the ESOP Plan.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements. Actual results may differ from those estimates.

Risks and Uncertainties

Investments are exposed to various risks, such as interest, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value on December 31, 2020 and 2019. Fair value is determined by annual independent appraisals (Note 6). Due to complexities inherent in valuing the stock of any nonpublic company, it is reasonably possible the value of the Plan's investments may change in the near term. Furthermore, the current appraisals are based on facts and conditions which existed at the date of the appraisals. It is reasonably possible these conditions may change in the near term.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Substantially all operating expenses of the Plan are paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan Administrator has evaluated subsequent events through October 12, 2021, the date which the financial statements were available to be issued.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(2) Summary of Significant Accounting Policies (Continued)

Accounting Standard Adopted

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2018-13, Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements. The Plan adopted ASU 2018-13 on a retrospective basis as of January 1, 2020. The effect of adopting this guidance resulted in the modification or removal of certain fair value measurement disclosures presented in the Plan's financial statements.

(**3) Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated April 16, 2014, the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (IRC). Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualifications. The Plan has been amended since receiving the determination letter; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan is qualified, and the related trust is tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Company has taken a significant uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(4) Administration of Plan Assets

The Plan's assets, which consist principally of the Company's common shares, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received and makes distributions to participants.

(5) Investment

The Plan's investment in the Company's common shares is as follows at December 31:

		2020		**2019**
Number of Shares		**236,656**		168,591
Cost	**$**	**8,762,744**	$	1,275,544
Estimated Fair Value	**$**	**29,262,566**	$	20,332,070

During plan years ended December 31, 2020 and 2019, **68,065** and -0- new shares were issued, respectively. There were -0- shares retired from the Plan during the plan years ended December 31, 2020 and 2019. All shares are allocated at December 31, 2020 and 2019.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(6) Fair Value

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 FASB ASC 820 are described as follows:

- Level One: 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 Two: inputs include
    1. quoted prices for similar assets or liabilities in active markets;
    2. quoted prices for identical or similar assets or liabilities in inactive markets;
    3. inputs other than quoted prices that are observable for the asset or liability;
    4. 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 Three: inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset 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.

Due to the use of unobservable inputs and the level of risk associated with such inputs, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

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

December 31, 2020:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in RE/SPEC Inc. Common Stock	$ -	$ -	$ 29,262,566	**$ 29,262,566**
Total assets in the fair value hierarchy	$ -	$ -	$ 29,262,566	**$ 29,262,566**

December 31, 2019:	Level One	Level Two	Level Three	Fair Value Measurement
Investment in RE/SPEC Inc. Common Stock	$ -	$ -	$ 20,332,070	$ 20,332,070
Total assets in the fair value hierarchy	$ -	$ -	$ 20,332,070	$ 20,332,070

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, 2020 and 2019.

The fair value of the Plan Sponsor's common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparisons, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

(7) Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The only asset carried at fair value on a recurring basis is the investment in the RE/SPEC Inc. common stock and any short-term investments held in terminated participants' accounts that have been segregated. The following methods and assumptions were used to estimate the fair value of the asset at December 31, 2020 and 2019.

The change in fair value of the Level Three financial assets for the years ended December 31 is as follows:

Balance -- December 31, 2018	$ 16,252,001
Distributions to Participants, Net of Segregated Cash Balances	(808,448)
Diversification	(259,317)
Employer Contributions	1,152,228
Net Unrealized Appreciation in Market Value of Investments	3,995,606
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Net Unrealized Appreciation in Market Value of Investments	1,443,357
Balance -- December 31, 2020	**$ 29,308,203**
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 1,443,357

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

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, 2020 and 2019.

The fair value of the Plan Sponsor's common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparisons, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP committee and key Company personnel, reviews in detail, discusses and approves.

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

(8) Related Party and Party-In-Interest Transactions

The Plan invests in Company common stock. Resulting transactions are related party and party-in-interest transactions. As described in Note 2, the Company pays all plan expenses. The Plan's service provider is also a party-in-interest under ERISA.

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The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the ESOP Committee directs the Trustee to pay all liabilities and expenses of the ESOP. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or their respective beneficiary at the time prescribed by the Plan terms and the IRC. In the event of Plan termination, participants will become 100 percent vested in their accounts.

(10) Employee Stock Ownership Plan Merger

On May 8, 2020 the Company acquired all of the shares of in PDC Inc. (PDC). PDC was a 100 percent employee-owned company with stock held in trust by the PDC Inc. Engineers Employee Stock Ownership Plan (PDC ESOP). The acquisition was completed exchanging 68,065 of RE/SPEC Inc. shares for 100 percent of the 76,400 outstanding shares of PDC, which were valued at $98 per share. The purchase price for this stock-for-stock transaction was accounted for using a stock exchange value of $7,487,200 based on an estimated $110 per share value of RE/SPEC Inc. shares at May 8, 2020.

Prior to the merger of the PDC and RE/SPEC ESOP plans, the PDC ESOP was leveraged with notes payable. As a part of the merger, RE/SPEC loaned PDC $6,000,000 immediately prior to close in order to allow PDC to settle debts internal to PDC's ESOP.

SUPPLEMENTAL SCHEDULE

RE/SPEC INC. EMPLOYEE STOCK OWNERSHIP PLAN

EIN 46-0315848, PN 002
FORM 5500, SCHEDULE H, ITEM 4i

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2020

	ISSUER	DESCRIPTION OF ASSETS		COST		CURRENT VALUE
*	Re/Spec Inc.	Common Stock - 236,656 Shares	$	8,762,744	$	29,262,566
					$	**29,262,566**

* Represents a Party-In-Interest, as defined by the Employee Retirement Income Security Act of 1974, as amended.