

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
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.)
	☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ an amended return/report ☐ the final return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: ☒ Form 5558 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan <u>MAGNA5 HOLDINGS, LLC 401(K) PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>001</u>
	1c Effective date of plan <u>07/01/2015</u>
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) <u>MAGNA5 HOLDINGS, LLC</u> <u>3001 DALLAS PARKWAY #610</u> <u>FRISCO, TX 75034-7395</u>
2b	Employer Identification Number (EIN) <u>47-2618283</u>
2c	Plan Sponsor's telephone number <u>214-624-9969</u>
2d	Business code (see instructions) <u>541519</u>

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.	10/17/2022	ROBERT FARINA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	ROBERT FARINA
	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

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ 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 MAGNA5 LLC c Plan Name MAGNA5 LLC 401(K) PLAN		4b EIN 47-2618283 4d PN 001	
5 Total number of participants at the beginning of the plan year		5	186
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)	158
a(2) Total number of active participants at the end of the plan year		6a(2)	92
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	100
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	192
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	192
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	187
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D 3H			
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) ☒ 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) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan MAGNA5 HOLDINGS, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MAGNA5 HOLDINGS, LLC	D Employer Identification Number (EIN) 47-2618283	

Part I	Service Provider Information (see instructions)
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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
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	3451	Yes ☒ No ☐	Yes ☒ No ☐	0	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 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan MAGNA5 HOLDINGS, LLC 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MAGNA5 HOLDINGS, LLC	D Employer Identification Number (EIN) 47-2618283	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	67170	75795
(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)	5615918	6230864
(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)		
(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	5683088	6306659

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	6871	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	6871	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5676217	6306659
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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)	121115	
(B) Participants	2a(1)(B)	808285	
(C) Others (including rollovers).....	2a(1)(C)	106462	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1035862
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	3746	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3746
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	118842	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		118842
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		634235
c Other income.....	2c		6871
d Total income. Add all income amounts in column (b) and enter total.....	2d		1799556
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1157737	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1157737
f Corrective distributions (see instructions).....	2f		7926
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	3451	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3451
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1169114
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		630442
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☒ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MARCUM LLP

(2) EIN: 11-1986323

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:

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.).....

	Yes	No	Amount
4a		X	

	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	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan MAGNA5 HOLDINGS, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MAGNA5 HOLDINGS, LLC	D Employer Identification Number (EIN) 47-2618283

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

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

Schedule R (Form 5500) 2021
v. 201209

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 _____

MAGNA5 HOLDINGS LLC 401(k) PLAN

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2021 AND 2020

MAGNA5 HOLDINGS LLC 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of the
Magna5 Holdings LLC 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of the Magna5 Holdings LLC 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the 2021 financial statements.

Responsibilities of Management for the 2021 Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Marcum LLP

Washington, DC
October 14, 2022

MAGNA5 HOLDINGS LLC 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$ 6,230,864	\$ 5,615,918
Notes receivable from participants	<u>75,795</u>	<u>67,170</u>
Total Assets	6,306,659	5,683,088
Liabilities		
Excess contributions payable	<u>--</u>	<u>6,871</u>
Net Assets Available for Benefits	<u>\$ 6,306,659</u>	<u>\$ 5,676,217</u>

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

MAGNA5 HOLDINGS LLC 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Additions to Net Assets Available for Benefits		
Investment Income:		
Net appreciation in fair value of investments	\$ 634,235	\$ 506,284
Interest and dividends	<u>118,842</u>	<u>86,781</u>
Net investment income	<u>753,077</u>	<u>593,065</u>
Interest income on notes receivable from participants	<u>3,746</u>	<u>5,598</u>
Contributions:		
Participants	808,285	776,942
Employer	121,115	114,863
Rollovers	<u>106,462</u>	<u>990,674</u>
Total contributions	<u>1,035,862</u>	<u>1,882,479</u>
Other income	<u>--</u>	<u>630</u>
Total Additions	<u>1,792,685</u>	<u>2,481,772</u>
Deductions from Net Assets Available for Benefits:		
Benefits paid to participants	1,157,737	870,959
Administrative expenses	3,451	3,072
Other expenses	<u>1,055</u>	<u>1,164</u>
Total Deductions	<u>1,162,243</u>	<u>875,195</u>
Net Increase	630,442	1,606,577
Net Assets Available for Benefits		
Beginning of year	<u>5,676,217</u>	<u>4,069,640</u>
End of year	<u><u>\$ 6,306,659</u></u>	<u><u>\$ 5,676,217</u></u>

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

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the Magna5 Holdings LLC 401(k) Plan (“the Plan”) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

GENERAL

The Plan is a qualified defined contribution plan sponsored by Magna5 LLC (the “Company”), covering employees of the Company who have attained the age of 20. The plan administrator is responsible for oversight of the Plan, determines the appropriateness of the Plan’s investment offerings and monitors investment performance. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The Plan was amended during the year ended December 31, 2021 to comply with all applicable, recently adopted laws and regulations.

CONTRIBUTIONS

The Plan is funded by participants’ contributions, which equal the total salary reduction elections of all participants. Employees are auto-enrolled into the plan at 2% of compensation unless electing to opt out. A participant may contribute a percentage of their annual compensation or a flat dollar amount provided that in no event shall a participant’s contribution exceed the maximum dollar amount determined by the Internal Revenue Code (“IRC” or the “Code”). Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (“rollover contributions”).

The Company may elect to make discretionary matching and/or profit sharing contributions under the Plan. For the years ended December 31, 2021 and 2020, the Company elected to make a discretionary matching contribution equal to 25% of a participant’s contribution, up to 4% of total eligible compensation, resulting in a discretionary contribution totaling \$121,115 and \$114,863 for 2021 and 2020, respectively.

ROLLOVERS FROM OTHER PLANS

For eligible employees or participants, the Plan allows rollover contributions from all qualified plans. A separate account is maintained by the Plan for a participant’s rollover contribution, which is nonforfeitable at all times. The account shares in the income and gains and losses of the funding vehicles in which it is invested.

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PARTICIPANT ACCOUNTS

Each participant's account is credited with applicable participant's contribution and any discretionary matching contributions and allocations of (a) plan earnings and (b) administrative expenses. Allocations are based upon participant earnings, account balances, or specific participant transactions, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

VESTING

Participants are immediately vested in their contributions and the Company's matching and profit sharing contributions plus actual earnings thereon.

INVESTMENT OPTIONS

Upon enrollment, participants direct the investment of their contributions and Company discretionary contributions into various investment options offered by the Plan. The Plan offers various mutual fund account options. Participants may change their investment elections at any time.

NOTES RECEIVABLE FROM PARTICIPANTS

Loans to plan participants are permitted. Participants may borrow from their participant accounts a minimum of \$1,000 and up to a maximum to the lesser of \$50,000 minus the highest outstanding balance of loans in the past 12 months, or 50% of participant's vested account balance. Each note is secured by the balance in the participant's account and bears interest at rates determined by the Plan administrator based on local prevailing rates. The applicable interest rate ranges between 4.25% and 6.5% for the years ended December 31, 2021 and 2020. The loans are executed by promissory notes and have a maximum term of up to five years, except for loans made to purchase a primary residence which may have a maximum term of thirty years. Principal and interest payments are paid by the participant and are invested back into the participant's plan account based on current investment elections.

PAYMENT OF BENEFITS

Upon termination of services due to severance from employment, death, disability or retirement, a participant may elect to receive the value of his or her balance, in accordance with provisions of the Plan, in either a lump sum distribution or installment distribution. Certain in-service distributions are allowed under the Plan, including the withdrawal of all

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PAYMENT OF BENEFITS (CONTINUED)

or any portion of the participant's balance upon attainment of age 59 ½. In the event of financial hardship, a participant may elect to withdraw all or a portion of their account balance to satisfy their financial need. If, after termination of employment with the Company, the vested amount of the participant account balance does not exceed \$1,000, the vested account balance will be paid in a lump sum. A participant's benefits must be distributed or must begin to be distributed not later than April 1 of the calendar year following the later of (i) the calendar year in which the participant attains age 70½; or (ii) the calendar year in which the participant retires.

ADMINISTRATIVE EXPENSES

Certain expenses incurred in the administration of the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments. Administrative expenses paid by the Plan totaled \$3,451 and \$3,072 for the years ended December 31, 2021 and 2020, respectively.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the Plan assets will be allocated among participating employees and beneficiaries in proportion to the employees' respective account balances since all participants are immediately vested in all contributions in the Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The plan administrator determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee.

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)

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

FAIR VALUE MEASUREMENT

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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs to the valuation methodology are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data. If the asset or liability has a specified (contractual) term, the level 2 must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed as incurred. No allowance for credit losses has been recorded as of December 31, 2021 and 2020. If a participant ceases to make loan payments and the plan administrator deems the participant to be in default, the participant loan balance is reduced and a benefit payment is recorded based on terms of the Plan document.

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PAYMENTS OF BENEFITS

Benefits are recorded when paid.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 3 - INFORMATION CERTIFIED BY THE PLAN'S CUSTODIAN AND TRUSTEE

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2021 and 2020, and net appreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the years ended December 31, 2021 and 2020, was obtained by management and agreed to or derived from information certified as complete and accurate by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company (the trustee of the Plan). This information has not been audited by the Plan's independent auditors.

NOTE 4 - FAIR VALUE MEASUREMENT

The following table summarizes the Plan's assets measured at fair value on a recurring basis as of December 31, 2021 and 2020, aggregated by the fair value hierarchy level with which those measurements were made:

	2021			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 6,230,864	\$ 6,230,864	\$ --	\$ --
Total Assets in the Fair Value Hierarchy	\$ 6,230,864	\$ 6,230,864	\$ --	\$ --

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)

	2020			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 5,615,918	\$ 5,615,918	\$ --	\$ --
Total Assets in the Fair Value Hierarchy	<u>\$ 5,615,918</u>	<u>\$ 5,615,918</u>	<u>\$ --</u>	<u>\$ --</u>

The Plan used the following method and significant assumptions to estimate fair value for assets recorded at fair value:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. Investments in these mutual funds can be redeemed daily upon request.

NOTE 5 - RELATED-PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

The Plan extends loans to participants who are considered parties in interest and are exempt from the prohibited transaction rules. Other transactions that may be considered party-in-interest transactions relate to normal management and administrative services and the payment of expenses related thereto.

NOTE 6 - TAX STATUS

The Internal Revenue Service ("IRS") has determined that the prototype non-standardized profit sharing plan is designed in accordance with the applicable sections of the IRC and informed the trustee of such in an opinion letter dated March 31, 2014. The plan administrator has adopted the prototype non-standardized profit sharing plan and will take the appropriate actions, if any, to maintain the plan's qualified status. The plan administrator believes the Plan is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6 - TAX STATUS (CONTINUED)

administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by IRS; however, there are currently no audits for any tax periods pending or in progress.

NOTE 7 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Market risks include global events which could impact the value of investments securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of total additions per the financial statements to Form 5500 for the year ended December 31, 2021:

Total additions per the financial statements	\$ 1,792,685
Excess contributions received	<u>6,871</u>
Total additions per Form 5500	<u>\$ 1,799,556</u>

The following is a reconciliation of other expenses per the financial statements to Form 5500 for the year ended December 31, 2021:

Other expenses per the financial statements	\$ 1,055
Excess contributions received	6,871
Corrective distributions	<u>(7,926)</u>
Other expense per Form 5500	<u>\$ --</u>

The following is a reconciliation of total deductions per the financial statements to Form 5500 for the year ended December 31, 2021:

Total deductions per the financial statements	\$ 1,162,243
Corrective distributions	<u>6,871</u>
Total deductions per Form 5500	<u>\$ 1,169,114</u>

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2020:

Net assets available for benefits per the financial statements	\$ 5,676,217
Excess contributions payable	<u>(6,871)</u>
Net Assets Available for Benefits per Form 5500	<u>\$ 5,683,088</u>

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2020:

Net increase in net assets available for benefits per the financial statements	\$ 1,606,577
Excess contributions payable	<u>(6,871)</u>
Net Increase in Net Assets Available for Benefits per Form 5500	<u>\$ 1,613,448</u>

For the year ended December 31, 2019, the financial statement balances reconciled to the balances reported on the Form 5500.

NOTE 9 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company can discontinue contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of termination, the assets will be allocated among participating employees and beneficiaries in proportion to the employees' respective account balances.

In fiscal year 2021, the Company's Board of Directors approved a resolution to sell the Company's telecommunications division. The sale was finalized on November 4, 2021, which resulted to 83 participants in the Plan to be no longer eligible to participate in the plan. The account balances of the 83 participants impacted by the sale of the telecommunications division was approximately \$4.2 million as of November 4, 2021. The new plan sponsor for the 83 participants who were impacted by the sale of the telecommunications division of the Company did not initiate a plan to plan transfer of the account balances of the 83 participants and as a result only 9 of the participants initiated withdrawals of their account balances as of December 31, 2021, while 55 of the participants initiated withdrawals of their account balances during the year ended December 31, 2022 and the remaining 18 participants decided to leave their account balances in the Plan. The plan sponsor performed an analysis and concluded that a partial plan termination had occurred as a result of the sale of the Company's telecommunications division. The affected participants were notified subsequent to the sale and were 100% vested in their accounts effective the date of their termination.

MAGNA5 HOLDINGS LLC 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 14, 2022, the date the financial statements were available to be issued. Other than the matters noted in Note 9, there were no other events requiring recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

MAGNA5 HOLDINGS LLC 401(k) PLAN

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

EIN: 47-2623227 PLAN # 001

DECEMBER 31, 2021

(a)	(b)	(c)	(d)	(e)
Party in Interest	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	Cost	Current Value
INVESTMENTS				
MUTUAL FUNDS				
	Vanguard Group	Vanguard Target RMT 2035 Investment Fund	**	\$ 1,547,833
	Vanguard Group	Vanguard Target RMT 2030 Investment Fund	**	1,428,901
	Vanguard Group	Vanguard Target RMT 2040 Investment Fund	**	699,400
	Vanguard Group	Vanguard Target RMT 2045 Investment Fund	**	610,572
	Vanguard Group	Vanguard Target RMT 2055 Investment Fund	**	547,566
	Vanguard Group	Vanguard Target RMT 2020 Investment Fund	**	393,973
	Vanguard Group	Vanguard Target RMT 2050 Investment Fund	**	286,639
	Vanguard Group	Vanguard Target RMT 2025 Investment Fund	**	157,341
	Vanguard Group	Vanguard Target RMT 2060 Investment Fund	**	115,527
	Vanguard Group	Vanguard Growth Index Admiral Fund	**	82,463
	Vanguard Group	Vanguard 500 Index Admiral Fund	**	57,959
	Vanguard Group	Vanguard Small Cap Index Admiral Fund	**	37,746
	Vanguard Group	Vanguard Total Stock Market Index Admiral Fund	**	31,812
	Vanguard Group	Vanguard Mid Cap Index Admiral Fund	**	30,966
	MFS Investment Management	MFS Mid-Cap Growth R6 Fund	**	26,443
	Janus Henderson	Janus Henderson Triton N	**	25,415
	Vanguard Group	Vanguard Target RMT 2015 Investment Fund	**	20,542
	Vanguard Group	Vanguard Total International Stock Index Adm Fund	**	19,239
	Vanguard Group	Vanguard Real Estate Index Admiral Fund	**	18,977
	Allspring Global Investments	Allspring Spec MC ap Value R6	**	17,567
	Vanguard Group	Vanguard International Growth Admiral Fund	**	17,156
	Vanguard Group	Vanguard Federal Money Market Investment Fund	**	16,280
	Metropolitan Mgmt	Metropolitan West Total Return Bond Plan	**	11,576
	Vanguard Group	Vanguard Target RMT 2065 Investment Fund	**	10,126
	American Funds	American Funds New World R6	**	8,448
	Loomis Sayles & Company	Loomis Sayles Bond N Fund	**	7,386
	Vanguard Group	Vanguard Value Index Admiral Fund	**	2,384
	Dimensional Fund Advisors	D F A US Targeted Value I Fund	**	469
	Vanguard Group	Vanguard LT Treasury Index Admiral Fund	**	158
		Total Investments		<u>6,230,864</u>
NOTES RECEIVABLE FROM PARTICIPANTS				
*	Participant loans	Interest rates range from 4.25%-6.5%, with maturities through September 2025	-	<u>75,795</u>
				<u>\$ 6,306,659</u>

* Indicates party-in interest

** Cost information not required for participant directed investments

See independent auditors' report.

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

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

MAGNA5 HOLDINGS, LLC 401(K) PLAN

EIN 47 2618283

PLAN NUMBER 001

PLAN YEAR 01/01/2021 TO 12/31/2021

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Wells Fargo	Registered Investment Company Allspring Spec M Cap Value R6	\$ 0.00	\$ 17,566.90
	The American Funds	Registered Investment Company American Funds Newworld R6	\$ 0.00	\$ 8,448.34
	Dimensional Fund Advisors	Registered Investment Company DFA US TARGETED VALUE I FUND	\$ 0.00	\$ 468.47
	Janus International Holding, LLC	Registered Investment Company JANUSHENDERSON TRITON N	\$ 0.00	\$ 25,414.86
	Loomis Sayles	Registered Investment Company LOOMIS SAYLES BOND N FUND	\$ 0.00	\$ 7,385.12
	Metropolitan Life Insurance Co	Registered Investment Company Metropolitan Wt Tl Rtn Bd Plan	\$ 0.00	\$ 11,576.22
	MFS Investment Management	Registered Investment Company MFS MID-CAP GROWTH R6 FUND	\$ 0.00	\$ 26,443.05
	Vanguard Group	Registered Investment Company Vanguard Fed Money Mkt Inv Fd	\$ 0.00	\$ 16,280.46
	Vanguard Group	Registered Investment Company Vanguard Growth Index Adm Fund	\$ 0.00	\$ 82,462.98
	Vanguard Group	Registered Investment Company Vanguard Intl Growth Adm Fd	\$ 0.00	\$ 17,156.26
	Vanguard Group	Registered Investment Company Vanguard Long Trm Trea Idx Adm	\$ 0.00	\$ 156.59
	Vanguard Group	Registered Investment Company Vanguard Mid Cap Index Adm Fd	\$ 0.00	\$ 30,965.94
	Vanguard Group	Registered Investment Company Vanguard RE Index Adm Fund	\$ 0.00	\$ 18,977.27
	Vanguard Group	Registered Investment Company Vanguard Sm Cap Index Adm Fund	\$ 0.00	\$ 37,746.42
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2015 Inv Fund	\$ 0.00	\$ 20,541.96

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

MAGNA5 HOLDINGS, LLC 401(K) PLAN

EIN 47 2618283

PLAN NUMBER 001

PLAN YEAR 01/01/2021 TO 12/31/2021

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2020 Inv Fund	\$ 0.00	\$ 393,972.59
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2025 Inv Fund	\$ 0.00	\$ 157,341.15
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2030 Inv Fund	\$ 0.00	\$ 1,428,901.34
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2035 Inv Fund	\$ 0.00	\$ 1,547,833.41
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2040 Inv Fund	\$ 0.00	\$ 699,400.09
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2045 Inv Fund	\$ 0.00	\$ 610,572.41
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2050 Inv Fund	\$ 0.00	\$ 286,639.46
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2055 Inv Fund	\$ 0.00	\$ 547,565.63
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2060 Inv Fund	\$ 0.00	\$ 115,527.34
	Vanguard Group	Registered Investment Company Vanguard Tgt Rmt 2065 Inv Fund	\$ 0.00	\$ 10,125.82
	Vanguard Group	Registered Investment Company Vanguard Tl Stk Mkt Idx Adm Fd	\$ 0.00	\$ 31,811.99
	Vanguard Group	Registered Investment Company Vanguard Value Index Adm Fund	\$ 0.00	\$ 2,383.94
	Vanguard Group	Registered Investment Company Vanguard 500 Index Admiral Fd	\$ 0.00	\$ 57,958.84
	Vanguard Group	Registered Investment Company Vgd Ttl Intl Stk Idx Adm Fd	\$ 0.00	\$ 19,239.15
*	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 6.50%	\$ 0.00	\$ 75,795.00

October 14, 2022

To the Plan Administrator of
Magna5 Holdings LLC 401(k) Plan
Magna5 Holdings LLC
3001 Dallas Parkway, Suite 610
Frisco, TX 75034

Re: Required communications between Marcum and Those Charged with Governance

Dear Plan Administrator and Management:

In accordance with auditing standards generally accepted in the United States of America (“GAAS”), Marcum LLP (“Marcum” or the “Firm”), as auditors of Magna5 Holdings LLC 401(k) Plan (the “Plan”), is required to determine that certain matters related to the conduct of our audit are communicated to the body or individuals (including management) charged with governance (hereafter referred to as the “Those Charged with Governance”). GAAS requires the auditor to ensure that Those Charged with Governance receive additional information regarding the scope and results of the audit that may assist them in overseeing the financial reporting and disclosure process, for which management is responsible.

1. The Auditors’ Responsibility under U.S. Generally Accepted Auditing Standards

Marcum is responsible to communicate the auditors’ responsibilities under GAAS.

We have audited the financial statements of Magna5 Holdings LLC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit] for the year ended December 31, 2021 and we issued our report thereon dated October 14, 2022. As permitted by ERISA Section 103(a)(3)(C), our audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company (the trustee of the Plan), which is a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, that prepared and certified the statements or information regarding assets so held in accordance with 29 CFR 2520.103-5. Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements and ERISA-required supplemental schedules, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP. Accordingly, the objective of an ERISA Section

103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

2. Other Information in Documents Containing Audited Financial Statements

Those Charged with Governance should be informed as to the auditors' responsibility for other information in documents containing audited financial statements, as well as any procedures performed and the results.

Our responsibility does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate any other information in documents containing our audit report. However, we are required to read the other information included in the Plan's Form 5500 as prescribed by AU-C 720, "Other Information in Documents Containing Audited Financial Statements," and to conclude whether there is any material inconsistency or material misstatement with the information presented in the Plan's financial statements. With respect to our audit of the Plan's financial statements, we are aware of no such material inconsistencies or material misstatements included in the other information contained in the documents with the audited financial statements.

3. Planned Scope and Timing of the Audit

The auditor should communicate an overview of the planned scope and timing of the audit. This communication may assist Those Charged with Governance in better understanding the consequences of the auditor's work for their oversight activities, discussing with the auditor

issues of risk and materiality, and identifying any areas in which they may request the auditor to undertake additional procedures. Such communication may also assist the auditor in better understanding the Plan and its environment. Nevertheless, the auditor maintains sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We conducted our audit consistent with the planned scope and timing we previously communicated to you. We would be pleased to meet with you to further discuss any of the following matters at your request:

- *The allocation of responsibilities between Those Charged with Governance and management.*
- *The Plan's objectives and strategies, and the related business risks that may result in material misstatements.*
- *Matters you have identified that warrant particular attention during the audit, and any areas where you request additional procedures to be undertaken.*
- *Significant communications with regulators.*
- *Other matters you believe are relevant to the audit of the financial statements.*
- *The attitudes, awareness, and actions of Those Charged with Governance concerning (a) the Plan's internal control and its importance in the Plan, including how Those Charged With Governance oversee the effectiveness of internal control and (b) the detection or the possibility of fraud.*
- *The actions of Those Charged with Governance in response to developments in financial reporting, laws, accounting standards, corporate governance practices, and other related matters.*
- *The actions of Those Charged with Governance in response to previous communications with the auditor.*

4. Qualitative Aspects of the Plan's Significant Accounting Policies

The auditor should discuss the auditors' judgments about the quality, not just the acceptability, of the Plan's accounting principles as applied in its financial reporting, including the ramifications of alternative methods. The auditor should also discuss the initial selection of, and changes in, significant accounting policies, including the application of new accounting pronouncements. The discussion should be open and frank and generally should include such matters as consistency of the Plan's accounting policies and their application, and the clarity and completeness of the Plan's financial statements, which include related disclosures. The discussion should include items that have a significant impact on the representational faithfulness, verifiability and neutrality of the accounting information

included in the financial statements. Particular emphasis should be placed on those policies and principles that are deemed critical. Critical accounting policies are those that are the most important to the portrayal of the Plan's financial condition and results and require management's most difficult, subjective or complex judgments.

There are no specific matters that we believe should be communicated to you. However, we would be pleased to meet with you at your convenience to discuss your significant accounting policies. Since the primary responsibility for establishing the Plan's accounting principles rests with management, such a discussion should generally include the Plan's management as a participant.

5. Management Judgments and Significant Accounting Estimates

Those Charged with Governance should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the fair valuation of investments. These estimates were provided by the trustees, which provided a certification of the valuation. We have evaluated the key factors and assumptions used to develop these estimates and believe they are reasonable in relation to the financial statements taken as a whole.

6. Financial Statement Disclosures

Those Charged with Governance should be informed about sensitive or otherwise significant financial statement disclosures. GAAP mandates many specific disclosures, and also requires that a complete set of financial statements include all other disclosure necessary to assure the financial statements are not misleading. The determination of appropriate disclosure requires significant judgment by management.

The most sensitive disclosures affecting the Plan's financial statements were the disclosure of the fair value of investments in Note 4 to the financial statements which involves management assigning the fair value level to the plan investments.

The financial statement disclosures are neutral, consistent and clear.

7. Significant Difficulties Encountered During the Audit

Serious difficulties encountered in dealing with management that related to the performance of the audit are required to be brought to the attention of Those Charged with Governance.

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

8. Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Those Charged with Governance should be informed that all audit adjustments which have been recorded in the books and records have been reviewed and approved by management and have been reflected properly in the financial statements and footnotes. Those Charged with Governance should also be informed about uncorrected misstatements that management determined were not material to the financial statements, either individually or in the aggregate, to the financial statements taken as a whole. All corrected or uncorrected adjustments that either individually or in the aggregate appear to indicate a weakness in the financial reporting process or may indicate the potential for fraud should be discussed.

The attached Schedule of audit adjustments has been recorded in the books and records and has been reviewed and approved by management and reflected properly in the financial statements and footnotes. None of these adjustments appear to indicate a weakness in financial reporting.

There were no waived audit adjustments.

9. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the Plan's financial statements or the auditors' report. However, a disagreement does not include a difference of opinion based on incomplete facts or preliminary information that is later resolved.

There were no such disagreements.

10. Representations Requested from Management

We are required to provide Those Charged with Governance an understanding of the representations that we are requesting from management.

See the attached copy of the representation letter from management.

11. Management Consultations with Other Accountants

When the auditor is aware that management has consulted with other accountants about significant accounting or auditing matters, the auditors' views about the subject of the consultation should be communicated to Those Charged with Governance.

To our knowledge, no such consultations were made by management.

12. Other Audit Findings or Issues

The auditor should communicate any issues arising from the audit that are, in the auditors' professional judgment, significant and relevant to Those Charged with Governance regarding their oversight of the financial reporting process. In addition, the auditor should communicate to Those Charged with Governance any significant issues that were discussed or were the subject of correspondence with management.

No other audit findings or issues were identified during our audit.

13. Other Matters

With respect to the supplementary information accompanying the financial statements, the auditor is required to read the supplementary information and note if there were any material inconsistencies with the accompanying audited financial statements, and whether the method of preparing it has changed from the prior period.

We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves and no discrepancies were noted.

14. Fraud or violations of Laws and Regulations

Those Charged with Governance should be adequately informed of fraud or violations of laws and regulations coming to the auditor's attention during the course of the audit.

There were no fraud or violations of laws and regulations that came to our attention during the course of our audit.

15. Communicating Reportable Findings / Internal Control Related Matters

Any significant deficiencies or material weaknesses related to the design of controls or implementation of controls coming to the auditors' attention during the audit should be communicated to Those Charged with Governance.

Our consideration of internal control was for the limited purpose described in item # 1 above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Plan's internal control to be significant deficiency:

Employer and Employee Contribution

Our testing of the employer's contributions identified a variance between the amounts that should have been contributed based on the Company's plan document and the actual amount contributed. According to the plan document, the Company is to contribute to the Plan a discretionary matching contribution equal to 25% of a participant's contribution, up to 4% of total eligible compensation. During our testing, we noted an employee who received discretionary matching contributions lower than the 1% of eligible compensation that he is eligible to receive during the year ended December 31, 2021, which resulted in an underpayment of \$225 for the employee. We recommend that the Company implement procedures to ensure that the employer discretionary matching contributions are properly calculated and contributed to the Plan. In addition, we recommend that Company fund the matching contributions and lost earnings to the account of the employee that was underpaid as soon as possible.

In addition, our testing of employees' contributions during the 2021 audit, we noted variances between the amounts that should have been contributed by employees and the actual amount withheld from employees' salaries. We understand, based on our discussions with management and our request of management to perform additional analysis, that these errors were the result of errors in the computation of employee contributions determined by the payroll service provider, which resulted in some employee's deferral contribution calculated using a higher or lower deferral percentages on certain months. We recommend that the Company work with its payroll service provider to ensure that the rates for the employee deferral contributions are correctly set up for all participants. We recommend that the Plan's management continue to implement procedures to ensure that both employee elective deferrals and employer

contributions are properly calculated, withheld and contributed to the Plan in accordance with the plan document. We also recommend that the Company, with the help of the plan trustee, determine the amount of the cumulative error and process the necessary corrective contributions and payment of associated lost earnings on behalf of the participants as soon as administratively feasible.

16. Independence

In order to issue an auditors' report, Marcum must be independent from the Plan in accordance with professional standards. The auditor may choose to communicate circumstances or relationships, such as financial interests, business or family relationships or nonaudit services provided or expected to be provided, that in the auditors' judgment may reasonably be thought to bear on independence, and that the auditor gave significant consideration to in reaching the conclusion that independence has not been impaired.

There are no matters identified that impair our independence.

This report is intended solely for the information and use of the Plan Administrator, and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Marcum LLP

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Magna5 Holdings LLC 401(k) Plan**Attachment****Year End: December 31, 2021****Adjusting Journal Entries****Date: 1/1/2021 To 12/31/2021**

Number	Date	Name	Account No	Debit	Credit
1	12/31/2021	Net Assets	30000	6,871.27	
1	12/31/2021	Distributions	50000		7,926.16
1	12/31/2021	Other Expenses	51100	1,054.89	
		Marcum - To record refund for corrective distributions for 2021.			
2	12/31/2021	Participant Loans	20000	431.00	
2	12/31/2021	Interest on participant loans	42600		431.00
		Marcum - To record interest on loans.			
				8,357.16	8,357.16

Magna5 Holdings LLC 401(k) Plan

3001 Dallas Parkway, Suite 610
Frisco, TX 75034

Marcum LLP
Accountants & Advisors
1899 L St NW, Suite 850
Washington, DC 20036

This representation letter is provided in connection with your audits of the financial statements of Magna5 Holdings LLC 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

We elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge that the audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier, that is regulated, supervised and subject to periodic examination by a state or federal agency, a qualified institution, that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. We have determined that an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances. We have also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certification meets the requirements in 29 CFR 2520.103-5 and, that the certified investment information is appropriately measured, presented, and disclosed in accordance with accounting principles generally accepted in the United States of America.

The purpose of an ERISA Section 103(a)(3)(C) audit is to express an opinion on whether the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and that the assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the certified investment information.

We also reaffirm our representations made in our management representation letter that was dated October 14, 2021 with respect to the statement of net assets available for benefits as of December 31, 2020 and statement of changes in net assets available for benefits for the year ended December 31, 2020.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 14, 2022.

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Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 21, 2022, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with U.S. GAAP.
2. We acknowledge our responsibility for administering the plan and determining that the Plan's transactions that are presented and disclosed in the ERISA plan financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used to estimate fair values of financial instruments are at Note 4 in the Plan's financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
6. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services, or other third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurement*. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in FASB ASC 820.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. Transactions with *parties in interest*, as defined in Section 3(14) of the Employee Retirement Income Security Act of 1974 (ERISA) and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from, or payable to, related parties have been appropriately disclosed.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. We understand that there are no uncorrected financial statement misstatements proposed by you during the audit.

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11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. We have no intentions to terminate the Plan.
13. Guarantees, whether written or oral, under which the plan is contingently liable to a bank or another lending institution have been properly recorded or disclosed in the financial statements.
14. We have properly reported and disclosed amendments to the Plan instrument, if any.

ERISA-Required Supplemental Schedules

15. We acknowledge our responsibility for the presentation of the ERISA-required supplemental schedules in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We believe that the ERISA-required supplemental schedules, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Information Provided

16. We have provided you with
 - a. access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. the most current plan instrument for the audit period, including all plan amendments;
 - c. a draft of the Form 5500 that is substantially complete;
 - d. additional information that you have requested from us for the purpose of the audit(s);
 - e. unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence;
17. We represent that no minutes of meetings have been prepared for all the Board of Directors meetings during 2021.
18. All transactions have been recorded in the accounting records and are reflected in the financial statements.
19. Financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
20. The Plan or trust has satisfactory title to all owned assets that are recorded at fair value, and all liens, encumbrances, or security interest requiring disclosure in the financial statements have been properly disclosed.

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21. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
22. We have no knowledge of any fraud or suspected fraud that affects the Plan and involves
 - a. management,
 - b. employees who have significant roles in internal control, or
 - c. others when the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements in the event of noncompliance.
25. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
26. There are no other matters (for example, breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, events that may jeopardize the tax status) that legal counsel have advised us must be disclosed.
27. We have disclosed to you the identity of the Plan's related parties and parties in interest and all the related party and party in interest relationships and transactions of which we are aware.
28. We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
29. There are no debt and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. All required filings with the appropriate agencies have been made.
31. The Plan is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified Plan. The Plan sponsor has operated the Plan in a manner that did not jeopardize this tax status.
32. The Plan has complied with the Department of Labor's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the Plan.
33. The Plan has complied with the fidelity bonding requirements of ERISA.

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34. There are no:

- a. *nonexempt party in interest transactions* (as defined in ERISA Section 406–408 and regulations thereunder) that were not disclosed in the supplemental schedules or financial statements.
- b. investments in default or considered to be uncollectible that were not disclosed in the supplemental schedules.
- c. *reportable transactions* (as defined in ERISA Section 103(b)(3)(H) and regulations under that section) that were not disclosed in the supplemental schedules.

35. The discretionary employer contribution is determined annually by the Plan sponsor. During the years ended December 31, 2021 and 2020, the Plan sponsor contributed \$121,115 and \$114,863, respectively.

36. Management agrees with the fair value and contract value of the investments and accepts responsibility for their valuation. The methods and significant assumptions used to estimate fair values of financial instruments, including nonreadily marketable securities, are as follows:

- a. Investments valued at fair value of \$6,230,864 and \$5,615,918, as of December 31, 2021 and 2020, respectively, as provided by the trustee of the Plan.

37. You have provided us all the documents and records for both the current year and for prior years that are necessary to ensure that our books and records are complete.

38. Plan management has:

- a. Made all management decisions and performed all management functions relating to the accounting services that you have provided.
- b. Established and maintained internal controls including monitoring ongoing activities relating to the accounting services that you have provided.
- c. Evaluating the adequacy and results of the accounting services performed and accepts responsibility for the results of the services that you have provided.
- d. Designated a competent management level individual to oversee the services that you have provided.

39. Administrative expenses paid by the Plan sponsor on behalf of the Plan will not be reimbursed by the Plan.

40. We have obtained appropriate fee disclosures from covered service providers and have concluded the fees are reasonable. The Plan is in compliance with DOL regulations regarding ERISA Section 408(b)(2).

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41. The Plan is currently not required to be submitted to the IRS for determination. 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 Internal Revenue Code. Therefore, we believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.
42. The Internal Revenue Service ("IRS") has determined that the prototype non-standardized profit sharing plan is designed in accordance with the applicable sections of the IRC and informed the trustee of such in an opinion letter dated March 31, 2014. The plan administrator has adopted the prototype non-standardized profit sharing plan and will take the appropriate actions, if any, to maintain the plan's qualified status. The plan administrator believes the Plan is currently being operated in compliance with the applicable requirements of the IRC.
43. As of the date of this letter, the magnitude of the future impact of COVID-19 on the Plan cannot be reasonably determined. Adequate disclosures have been made in the financial statements related to COVID-19.
44. We have obtained the SOC 1 Report from the service organization. We have reviewed such report, including the complimentary user controls. We have implemented the relevant user controls, and they were in operation for the year ended December 31, 2021.
45. There are no material distributions that have been requested prior to the end of the plan year that have not been disbursed to participants.
46. We have performed an assessment of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time (defined as the time within one year after the date that the financial statements are issued, or available to be issued, where applicable). In assessing the appropriateness of the going concern basis for the Plan, we have taken into account all of the relevant information covering a reasonable period of time. We are not aware of any conditions or events beyond such reasonable period of time that may have an effect on the Plan's ability to continue as a going concern.
47. Receivables recorded in the financial statements represent valid claims for transactions arising on or before the date of the statements of net assets available for benefits and have been reduced to their estimated net realizable value.
48. We have evaluated our tax positions in accordance with ASC 740 *Income Taxes*. Specifically, we have determined whether our tax positions would be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the positions (assuming the tax authority has full knowledge of all information) based upon a "more-likely-than-not" (MLTN) threshold. If this threshold is not met, none of the tax benefit provided by the position is reflected in the financial statements. For a tax position that meets

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the MLTN recognition threshold, the benefit is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Additionally, related interest and penalties, if any, have been recorded in accordance with ASC 740 *Income Taxes*.

Magna5 Holdings LLC 401(k) Plan

DocuSigned by:

Robert Farina

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Signature

Robert Farina

Print Name

Chief Executive Officer

Title

October 14, 2022

Date

DocuSigned by:

Barb Myer

F449B75A5445461...

Signature

Barb Myer

Print Name

Human Resources Manager

Title

October 14, 2022

Date