

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 ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II Basic Plan Information—enter all requested information											
1a Name of plan <u>FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN & TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 2px;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; padding: 2px; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2" style="padding: 2px;">1c Effective date of plan <u>01/01/2019</u></td> </tr> <tr> <td colspan="2" style="padding: 2px;">2b Employer Identification Number (EIN) <u>33-1046339</u></td> </tr> <tr> <td colspan="2" style="padding: 2px;">2c Plan Sponsor's telephone number <u>703-753-1158</u></td> </tr> <tr> <td colspan="2" style="padding: 2px;">2d Business code (see instructions) <u>561600</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2019</u>		2b Employer Identification Number (EIN) <u>33-1046339</u>		2c Plan Sponsor's telephone number <u>703-753-1158</u>		2d Business code (see instructions) <u>561600</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>01/01/2019</u>											
2b Employer Identification Number (EIN) <u>33-1046339</u>											
2c Plan Sponsor's telephone number <u>703-753-1158</u>											
2d Business code (see instructions) <u>561600</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>FALKEN INDUSTRIES LLC</u> <u>10611 BALLS FORD RD</u> <u>SUITE 200</u> <u>MANASSAS, VA 20109</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.	08/15/2023	ERISA FIDUCIARY SERVICES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☐ Same as Plan Sponsor ERISA FIDUCIARY SERVICES, INC. 1373 VETERANS HIGHWAY SUITE 10 HAUPPAUGE, NY 11788		3b Administrator's EIN 47-1637791 3c Administrator's telephone number 631-249-0500
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 294
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6a(1) 294 6a(2) 448 6b 0 6c 7 6d 455 6e 0 6f 455 6g 85 6h 7
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: 2A 2E 2F 2G 2J 2K 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) ☐ <u>0</u> 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 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 <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FALKEN INDUSTRIES LLC</u>	D Employer Identification Number (EIN) <u>33-1046339</u>	

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	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1169	4362
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	147622	330483
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 0	
(2)	Employer real property.....	1d(2) 0	
e	Buildings and other property used in plan operation	1e 0	
f	Total assets (add all amounts in lines 1a through 1e)	1f 148791	334845
Liabilities			
g	Benefit claims payable	1g 0	
h	Operating payables	1h 0	
i	Acquisition indebtedness.....	1i 0	
j	Other liabilities.....	1j 0	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 148791	334845

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.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 47040	
	(B) Participants	2a(1)(B) 158002	
	(C) Others (including rollovers).....	2a(1)(C) 0	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	205042
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 0	
	(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) 0	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 167	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	167
(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)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		28533
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		233742
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	40837	
(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)		40837
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	6576	
(3) Investment advisory and management fees.....	2i(3)	275	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		6851
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		47688
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		186054
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: UHY LLP

(2) EIN: 20-0694403

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		4526

	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?			
4e		X	
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n	X		
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
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.
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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 <u>FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FALKEN INDUSTRIES LLC</u>	D Employer Identification Number (EIN) <u>33-1046339</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
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): <u>16-1470238</u>		
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.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

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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 _____

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

For the years ended
December 31, 2021 and 2020

FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN AND TRUST

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrator of the
Falken Industries LLC 401(k) Profit Sharing Plan and Trust,
Manassas, VA

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 Falken Industries LLC 401(k) Profit Sharing Plan and Trust, 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 then ended, and the related notes to the financial statements (2021 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 Auditor's 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Falken Industries LLC 401(k) Profit Sharing Plan and Trust 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.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. 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 Falken Industries LLC 401(k) Profit Sharing Plan and Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's 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 Falken Industries LLC 401(k) Profit Sharing Plan and Trust'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 Falken Industries LLC 401(k) Profit Sharing Plan and Trust'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 Schedules Required by ERISA

The supplemental Schedule of Delinquent Participant Contributions and Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's 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 schedules, 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 schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information,

including their form and content, are 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 schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are 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 schedules 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).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Falken Industries LLC 401(k) Profit Sharing Plan and Trust (formally known as Falken Freedom 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 February 14, 2022, 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.

The image shows a handwritten signature in dark ink that reads "UHY LLP". The signature is written in a cursive, stylized font.

Columbia, MD
June 15, 2023

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments at fair value		
Money Market Fund	\$ 4,362	\$ 1,169
Mutual Funds	<u>330,483</u>	<u>147,622</u>
Total investments at fair value	<u>334,845</u>	<u>148,791</u>
Receivables		
Employer contributions	40,951	13,584
Participant contributions	<u>7,048</u>	<u>-</u>
Total receivables	<u>47,999</u>	<u>13,584</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 382,844</u></u>	<u><u>\$ 162,375</u></u>

FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended December 31, 2021 and 2020

	2021	2020
Additions to Net Assets Attributed to:		
Investment income:		
Interest and dividend income	\$ 3,060	\$ 4,172
Net appreciation in fair value of investments	25,629	15,338
Total investment income	28,689	19,510
Contributions:		
Participant	165,050	68,627
Employer	74,419	20,488
Total contributions	239,469	89,115
Total additions	268,158	108,625
Deductions from Net Assets Attributed to:		
Benefits paid to participants	40,837	-
Administrative expenses	6,852	215
Total deductions	47,689	215
Net Increase	220,469	108,410
Net Assets Available for Benefits, Beginning of Year	162,375	53,965
Net Assets Available for Benefits, End of Year	\$ 382,844	\$ 162,375

FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Falken Industries LLC 401(k) Profit Sharing Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code (IRC) established effective January 1, 2019. The Plan covers all employees of Falken Industries LLC and Falken USVI LLC (the Company), or any affiliate who has adopted the Plan. The Plan is subject to the provisions of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA).

During 2021, the Plan changed its custodian, recordkeeper, and third-party administrator. Prior to this change, Capital Group Retirement Plan Services served as recordkeeper; Capital Bank & Trust served as custodian; American Funds served as the transfer agent for the U.S. mutual funds and Uniglobal served as third-party administrator. Beginning June 15, 2021, Mid Atlantic Trust Company became the Plan's custodian and Paychex Retirement Services became the Plan's recordkeeper and third-party administrator.

Effective June 15, 2021, the plan adopted a 401(k)/profit sharing prototype plan document sponsored by Paychex, Inc. With the adoption of the new prototype document, the following changes were made to the plan:

- The plan changed its name from Falken Freedom Plan to Falken Industries LLC 401(k) Profit Sharing Plan and Trust.
- The definition of eligible compensation was revised to exclude leave cash-outs paid after severance from employment.
- The limit on participant deferrals was reduced from 100% to 92% of their annual compensation.
- The discretionary employer matching contributions were replaced with a two-tiered match formula where the Company matches 100% of participant contributions up to 2% of eligible compensation plus 50% of participant contributions from 2% up to 3% of eligible compensation.

Eligibility

Employees are eligible to participate in the Plan and make elective deferrals and receive employer matching contributions effective with their employment commencement date. Employees are eligible to receive employer discretionary profit-sharing contributions if they have completed at least 1,000 hours of service in the applicable plan year and are employed by the Company on last day of the plan year.

FALKEN INDUSTRIES LLC 401(K) PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Contributions

Participants may contribute on a pre-tax or after-tax basis up to 100% of their annual compensation, as defined in the Plan, subject to the statutory limitations established by the Internal Revenue Code (IRC). As of June 15, 2021, the limit on participant deferrals was reduced from 100% to 92% of their annual compensation. The after-tax "Roth" contributions are subject to federal income taxes in the year of deferral. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing rollovers from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants.

The Plan allows for employer discretionary matching and profit-sharing contributions at the option of the Company's Board of Directors. In addition, the Company may also make qualified non-elective contributions for participants performing work for the Company subject to prevailing-wage laws, to help satisfy the requirements of that law. Matching contributions are based on participants' eligible contributions. Any discretionary profit-sharing contributions are determined by the employer on an annual basis.

Effective June 15, 2021, the discretionary employer matching contributions were replaced with a two-tiered match formula whereby the Company matches 100% of participant contributions up to 2% of eligible compensation, plus 50% of participant contributions from 2% up to 3% of eligible compensation.

During the years ended December 31, 2021 and 2020, the Company made matching contributions to the Plan totaling \$74,419 and \$20,488, respectively. The Company did not make discretionary profit-sharing or qualified non-elective contributions to the Plan in 2021 or 2020.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution, if any, plan earnings (losses), and charged with an allocation of any administrative expenses paid by the plan. Earnings are allocated by fund based on the ratio of a participant's account invested in a particular fund to all participants' investments in that fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their elective deferrals and rollovers, and all earnings thereon. Vesting in the employer discretionary matching and profit-sharing contributions is based on years of continuous service. After one year of service, a participant becomes 25 percent vested in employer contributions in the Plan; the vesting percentage increases by 25 percent each year until the participant becomes fully vested in his or her account after four years of service.

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 (reduced by the balance of any prior loans from the Plan) or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at the prime rate plus 1%. The maximum duration of a loan is not to exceed five years, except in cases where funds are used to purchase a principal residence. Plan participants may have up to one loan outstanding at any one time. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service due to death, disability, or retirement, participants may elect to receive either a lump-sum amount equal to the value of their account, a direct rollover into a qualified retirement plan, or a combination of the two. For termination of service due to other reasons, participants may receive their benefits in the form of a distribution equal to the value of their vested interest in their accounts. Partial withdrawals or installments are allowed but only with respect to minimum required distributions. Withdrawals from rollover contributions are permitted at any time. The employer may authorize certain withdrawals from a participant's account in the event of a proven financial hardship. Hardship withdrawals are subject to specific statutory and regulatory requirements.

Forfeited Accounts

Forfeitures from nonvested account balances may be used to pay plan administrative expenses or reduce employer contributions to the Plan. At December 31, 2021 and 2020, forfeited nonvested accounts totaled \$1,719 and \$1,169, respectively. During the years ended December 31, 2021 and 2020, no forfeitures were used by the Plan to pay administrative expenses or reduce employer contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP).

Investment Valuation and Income Recognition

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. See Note 4 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recognized on the accrual basis. Related fees are recognized as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recognized as of December 31, 2021 and 2020. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan agreement.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Company and are therefore excluded from these financial statements. The Plan is not required to reimburse the Company for expenses the Company pays on the Plan's behalf. Investment-related expenses are included in net appreciation (depreciation) in fair value of investments. Fees related to the administration of notes receivable from participants and distributions are charged directly to the participant's account and are included in administrative expenses.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates. In particular, the novel coronavirus ("COVID-19") pandemic and the resulting adverse impacts to global economic conditions, as well as the Plan's operations, may affect future estimates including, but not limited to, fair value measurements, downward adjustments to investments in equity securities, or asset impairment charges.

NOTE 3 - CERTIFIED INFORMATION

Information regarding investments held at December 31, 2021 and 2020, net appreciation in fair value of investments and interest and dividend income for the years then ended, disclosed in the accompanying financial statements, and the investment information included in the supplemental schedule of assets (held at end of year) as of December 31, 2021, is derived from statements which have been certified by Capital Bank & Trust Company (CB&T) and Mid Atlantic Trust Company, the custodians of the Plan, as complete and accurate in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 4 - FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no plan assets requiring the use of Level 2 and Level 3 inputs for the period presented.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Money Market Fund

The US Government Money Market Fund invests in repurchase agreements, government agency securities, U.S. treasuries, agency notes and bonds and cash and cash equivalents. The fund seeks to preserve the value of the investment at \$1.00 per share, but it is possible to lose money by investing in it, as the balance is not insured or guaranteed by the Federal Deposit Insurance Corporation. The fund's net asset value (NAV) is calculated by dividing the assets, less any liabilities, by the number of outstanding shares. The money market fund is traded daily without restriction.

Mutual Funds

The 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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Money Market Fund	\$ 4,362	\$ -	\$ -	\$ 4,362
Mutual Funds	<u>330,483</u>	<u>-</u>	<u>-</u>	<u>330,483</u>
Total investments	<u>\$ 334,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,845</u>
 <u>December 31, 2020</u>				
Money Market Fund	\$ 1,169	\$ -	\$ -	\$ 1,169
Mutual Funds	<u>147,622</u>	<u>-</u>	<u>-</u>	<u>147,622</u>
Total investments	<u>\$ 148,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,791</u>

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their accounts.

NOTE 6 - TRANSACTIONS WITH PARTIES-IN-INTEREST

During the year ended December 31, 2020 and the period of January 1 to June 15, 2021, Plan assets were invested in products sold and managed by American Funds, the transfer agent for the U.S. mutual funds. During the same period, Capital Group Retirement Plan Services was the recordkeeper of the plan, and CB&T was the custodian of the plan. CB&T and American Funds are subsidiaries of The Capital Group Companies, Inc. (Capital Group) and, therefore, transactions with these entities qualify as party-in-interest transactions. Beginning June 15, 2021, Mid Atlantic Trust Company began serving as the custodian of the Plan, and Paychex Retirement Services became its recordkeeper and third-party administrator. Personnel and facilities of the Company have been used to perform administrative functions for the Plan at no charge to the Plan. There were no financial transactions recorded between the Company and the Plan other than contributions made. Notes receivable from participants also qualify as party-in-interest transactions. All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

NOTE 7 - TAX STATUS

The Plan has adopted a prototype volume submitter profit-sharing plan sponsored by Uniglobal Pension Planning, Inc. The prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated January 22, 2018, which states that the prototype plan, as then designed, is in compliance with the applicable requirements of the Internal Revenue Code (IRC). The plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC.

Effective June 15, 2021, the Plan adopted a non-standardized pre-approved profit-sharing plan sponsored by Paychex, Inc. The prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated August 31, 2020, which states that the prototype plan, as then designed, is in compliance with the applicable requirements of the Internal Revenue Code (IRC). The plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC.

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

FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 8 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities, which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus disease ("COVID-19") a pandemic, which is ongoing as of the date the financial statements. As a result of the COVID-19 pandemic, economic uncertainties have arisen which have resulted in significant volatility in the investment markets, causing substantial fluctuations in the value of the Plan's investments and this may continue for an extended period of time. The extent of COVID-19's effect on the Plan's operational and financial performance will depend on future developments, including the duration, spread, and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, the overall impact of COVID-19 on the Plan's investment portfolio, participant account balances and the amounts reported in the Plan's financial statements and related impact on the Plan's liquidity cannot be determined at this time.

NOTE 9 - VOLUNTARY COMPLIANCE

In 2021, the Company determined that the incorrect definition of eligible compensation had been used during 2019 and 2020. The plan document defines compensation as W-2 wages; however, the Company excluded certain types of compensation paid to certain employees when determining eligible compensation. As a result, the affected participants contributed less than they would otherwise have been able to do had the correct definition of eligible compensation been used. The Company self-corrected the error by making corrective contributions to the affected participants' accounts for the missed deferrals and corresponding employer matching contribution on April 6, 2022, in the amount of \$7,516, at which time the associated lost earnings were allocated to the affected participants' accounts.

NOTE 10 - LATE REMITTANCES

As a result of an oversight that occurred during 2020, the Company failed to remit to the plan's custodian participant contributions totaling \$1,103 within the period prescribed by Department of Labor regulations. These contributions are considered nonexempt party-in-interest transactions. The Company calculated lost earnings on these delinquent remittances, which amounted to approximately \$10, and made a contribution to the Plan in December 2021, at which time the amount was allocated to the affected participants' accounts.

During the year ended December 31, 2021, the Company failed to remit to the plan custodian participant contributions totaling \$4,526 within the period prescribed by Department of Labor regulations. These contributions are considered nonexempt party-in-interest transactions. The Company is in the process of correcting the late remittances by remitting a payment to the plan of the calculated lost earnings, which will then be allocated among the affected participants.

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 11 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The Annual Return/Report of Employee Benefit Plan (the Form 5500) is prepared on the modified cash basis. Accordingly, certain balances included on Schedule H of the Form 5500 differ from those included in the accompanying financial statements.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Schedule H of Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 382,844	\$ 162,375
Less: Contribution receivable	<u>(47,999)</u>	<u>(13,584)</u>
Net assets available for benefits, per Schedule H of Form 5500	<u>\$ 334,845</u>	<u>\$ 148,791</u>

The following is a reconciliation of contributions to the plan per the financial statements for the year ended December 31, 2021, to Schedule H of Form 5500:

Contributions reflected in financial statements	\$ 239,469
Less: Change in contributions receivable	(34,415)
Less: Other adjustments	<u>(12)</u>
Contributions per Schedule H of Form 5500	<u>\$ 205,042</u>

NOTE 12 - SUBSEQUENT EVENTS

Plan Restatements

Effective January 1, 2022, the plan document was restated to include the following: an auto-enrollment provision whereby all eligible employees are auto-enrolled in the Plan with a default deferral rate set at 3% of eligible compensation, unless they affirmatively elect not to participate; an auto-escalation provision, whereby the participant's deferral rate increases annually on the first day of each Plan year by 1% up to a maximum of 6% of compensation; 3% safe harbor match.

Additionally, changes were made to the vesting schedule of employer matching contributions allowing participants to become 100% vested after two years of service.

Effective May 20, 2022, the plan document was amended and restated to bring a plan into compliance with the legislative and regulatory changes set forth in IRS Notice 2017-37 (i.e., the 6-year preapproved plan restatement cycle). There were no other changes in the plan provisions.

Subsequent events have been evaluated through June 15, 2023, which is the date the financial statements are available to be issued.

Supplemental Schedules

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**

EIN: 33-1046339; PLAN - 001

SCHEDULE H, PART IV, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2021

Participant Contributions Transferred Late to Plan			Check Here if Late Participant Loan Repayments are Included	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Plan Year	Amount Withheld	Date Corrected		Contributions not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
12/31/2021	\$ 4,526	n/a		\$ 4,526	\$ -	\$ -	\$ -

**FALKEN INDUSTRIES LLC 401(K)
PROFIT SHARING PLAN AND TRUST**

EIN: 33-1046339; PLAN - 001

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

As of December 31, 2021

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost**	(e) Current Value
	Money Market Fund			
*	American Funds	US Government Money Market Fund R6		\$ 4,362
	Mutual Funds			
*	American Funds	American Funds American Balanced R6		124
*	American Funds	American Funds 2010 Target Date Retirement R6		124
*	American Funds	American Funds 2015 Target Date Retirement R6		124
*	American Funds	American Funds 2020 Target Date Retirement R6		2,746
*	American Funds	American Funds 2025 Target Date Retirement R6		12,479
*	American Funds	American Funds 2030 Target Date Retirement R6		7,944
*	American Funds	American Funds 2035 Target Date Retirement R6		33,486
*	American Funds	American Funds 2040 Target Date Retirement R6		7,482
*	American Funds	American Funds 2045 Target Date Retirement R6		54,267
*	American Funds	American Funds 2050 Target Date Retirement R6		53,723
*	American Funds	American Funds 2055 Target Date Retirement R6		27,208
*	American Funds	American Funds 2060 Target Date Retirement R6		18,541
*	American Funds	American Funds 2065 Target Date Retirement R6		9,039
*	American Funds	American Funds Capital World Growth & Income R6		1,088
*	American Funds	American Funds Europacific Growth R6		124
*	American Funds	American Funds Fundamental Investors R6		704
*	American Funds	American Funds New Perspective R6		2,297
*	American Funds	American Funds US Government Securities R6		893
*	American Funds	American Funds The Bond Fund of America R-6		654
*	American Funds	American Funds Growth Fund of America R6		124
*	American Funds	American Funds Income Fund of America R6		31
*	American Funds	American Funds Investment Company of America R6		491
*	American Funds	American Funds Washington Mutual Investors R6		31
*	American Funds	American Funds High Income Trust R6		1,753
*	American Funds	American Funds Moderate Growth & Income Portfolio R6		1,180
*	American Funds	American Funds Global Balanced R6		31
*	American Funds	American Funds Growth & Income R6		30,761
*	American Funds	American Funds Growth R6		42,467
*	American Funds	American Funds Conservative Growth & Income Portfolio R6		12,284
	Vanguard	Vanguard Mid Cap Index Fund Admiral		8,283
	Total Mutual Funds			330,483
	Total investments			\$ 334,845

* Indicates a party-in-interest to the Plan.

** Historical cost is not required to be presented, as all investments are participant-directed.