# 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

**2022**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**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
EPSILON SYSTEMS SOLUTIONS, INC. ESOP

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/2018

**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)
EPSILON SYSTEMS SOLUTIONS, INC.

9444 BALBOA AVE, STE 100
SAN DIEGO, CA 92123-6404

**2b** Employer Identification Number (EIN) 52-2129453

**2c** Plan Sponsor's telephone number 619-702-1700

**2d** Business code (see instructions) 541330

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/04/2023 | ALYX SCHMIDT |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 2031 |
| **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)** | 1384 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 1448 |
| **b** Retired or separated participants receiving benefits | **6b** | 122 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 617 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 2187 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 17 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 2204 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 1990 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 113 |
| **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:
2P 2Q 3I

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | [X] | **R** (Retirement Plan Information) |
| **(2)** | [ ] | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | [ ] | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | [X] | | **H** (Financial Information) |
| **(2)** | [ ] | | **I** (Financial Information – Small Plan) |
| **(3)** | [ ] | 0 | **A** (Insurance Information) |
| **(4)** | [X] | | **C** (Service Provider Information) |
| **(5)** | [ ] | | **D** (DFE/Participating Plan Information) |
| **(6)** | [ ] | | **G** (Financial Transaction Schedules) |

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2022**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| EPSILON SYSTEMS SOLUTIONS, INC. ESOP | 002 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| EPSILON SYSTEMS SOLUTIONS, INC. | 52-2129453 |

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

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

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

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

## 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

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
EPSILON SYSTEMS SOLUTIONS, INC. ESOP

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
EPSILON SYSTEMS SOLUTIONS, INC.

**D** Employer Identification Number (EIN)
52-2129453

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 840948 | 840498 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 206 | 206 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 17639 | 17850 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 95442482 | 106704476 |
| **(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 | 96301275 | 107563030 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | 13289777 | 12801369 |
| **j** Other liabilities | 1j | 108474 | 105420 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 13398251 | 12906789 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 82903024 | 94656241 |

## 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) | 840498 | |
| **(B)** Participants | 2a(1)(B) | | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 840498 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 212 | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 212 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | 13246073 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 13246073 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 14086783 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1723632 | |
| (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) | | 1723632 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 349486 |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 0 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2073118 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 12013665 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | 260448 |

## Part III Accountant's Opinion

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

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

**(1)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

**(1)** [X] 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: MAYER HOFFMAN MCCANN P.C. **(2)** EIN: 43-1947695

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

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | 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 | | 1000000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | 4j | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ 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) |
|---|---|---|
| EPSILON SYSTEMS SOLUTIONS, INC. 401(K) PLAN | 52-2129453 | 001 |
| | | |
| | | |
| | | |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
EPSILON SYSTEMS SOLUTIONS, INC. ESOP

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
EPSILON SYSTEMS SOLUTIONS, INC.

**D** Employer Identification Number (EIN)
52-2129453

## 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** 1723632

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

EIN(s): 58-1428634

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) 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_____

# Epsilon Systems Solutions, Inc. Employee Stock Ownership Plan and Trust

Financial Statements
and Supplemental Schedules
December 31, 2022 and 2021

MHM

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

## Contents


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* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

MHM

**Independent Auditors' Report**

To the Administrative Committee of the
Epsilon Systems Solutions, Inc. and Subsidiary
Employee Stock Ownership Plan & Trust
San Diego, California

**Opinion**

We have audited the financial statements of Epsilon Systems Solutions, Inc. Employee Stock Ownership Plan & Trust ("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, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2022 and 2021, and the changes in its net assets available for benefits for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within 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 Financial Statements**

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

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 Matter - Supplemental Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of and for the year ended December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including the 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 information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Mayer Hoffman McCann P.C.

San Diego, California
September 15, 2023

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

## Statements of Net Assets Available for Benefits

| *December 31, 2022* | Allocated | Unallocated | Total |
|---|---|---|---|
| **Assets** | | | |
| Investments: | | | |
| Investment valued at fair value (Note 4) | $ 59,883,811 | $ 46,820,663 | $ 106,704,474 |
| Money market fund valued at NAV (Note 4) | 17,850 | - | 17,850 |
| Total investments | 59,901,661 | 46,820,663 | 106,722,324 |
| Receivables: | | | |
| Employer contributions | 735,078 | 105,420 | 840,498 |
| Other receivable | 206 | - | 206 |
| Total receivables | 735,284 | 105,420 | 840,704 |
| **Total Assets** | 60,636,945 | 46,926,083 | 107,563,028 |
| **Liabilities** | | | |
| Loan Payable to Company | - | (12,066,291) | (12,066,291) |
| Current portion of loan payable to Company | - | (735,078) | (735,078) |
| Interest payable to Company | - | (105,420) | (105,420) |
| **Total Liabilities** | - | (12,906,789) | (12,906,789) |
| **Net Assets Available for Benefits** | $ 60,636,945 | $ 34,019,294 | $ 94,656,239 |

*The accompanying notes are an integral part of this financial statement.*

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

## Statements of Net Assets Available for Benefits

| *December 31, 2021* | Allocated | Unallocated | Total |
|---|---|---|---|
| **Assets** | | | |
| Investments: | | | |
| Investment valued at fair value (Note 4) | $ 52,382,518 | $ 43,059,963 | $ 95,442,481 |
| Money market fund valued at NAV (Note 4) | 17,639 | - | 17,639 |
| Total investments | 52,400,157 | 43,059,963 | 95,460,120 |
| Receivables: | | | |
| Employer contributions | 732,474 | 108,474 | 840,948 |
| Other receivable | 206 | - | 206 |
| Total receivables | 732,680 | 108,474 | 841,154 |
| **Total Assets** | 53,132,837 | 43,168,437 | 96,301,274 |
| **Liabilities** | | | |
| Payable to Company | - | (13,289,777) | (13,289,777) |
| Interest payable to Company | - | (108,474) | (108,474) |
| **Total Liabilities** | - | (13,398,251) | (13,398,251) |
| **Net Assets Available for Benefits** | $ 53,132,837 | $ 29,770,186 | $ 82,903,023 |

*The accompanying notes are an integral part of this financial statement.*

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

## Statement of Changes in Net Assets Available for Benefits

| *Year Ended December 31, 2022* | Allocated | Unallocated | Total |
|---|---|---|---|
| **Additions** | | | |
| Investment income: | | | |
| Net appreciation of investment | $ 7,433,853 | $ 5,812,220 | $ 13,246,073 |
| Interest income | 211 | - | 211 |
| Allocation of common stock | 2,051,520 | (2,051,520) | - |
| Contributions: | | | |
| Employer contributions | 840,498 | - | 840,498 |
| **Total Additions** | 10,326,082 | 3,760,700 | 14,086,782 |
| **Deductions** | | | |
| Benefits paid to participants | (1,723,632) | - | (1,723,632) |
| Interest expense | - | (349,486) | (349,486) |
| **Total Deductions** | (1,723,632) | (349,486) | (2,073,118) |
| **Net Change in Net Assets Available for Benefits** | 8,602,450 | 3,411,214 | 12,013,664 |
| **Net Assets Available for Benefits, Beginning of Year** | 53,132,837 | 29,770,186 | 82,903,023 |
| **Transfer to 401(k) Plan** | (260,448) | - | (260,448) |
| **Transfer for Debt Service** | (837,894) | 837,894 | - |
| **Net Assets Available for Benefits, End of Year** | $ 60,636,945 | $ 34,019,294 | $ 94,656,239 |

*The accompanying notes are an integral part of this financial statement.*

## (1) Description of the Plan

The following description of the Epsilon Systems Solutions, Inc. Employee Stock Ownership Plan and Trust ("ESOP" or "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the Plan Administrator.

*General*

The Plan is a defined contribution plan sponsored by Epsilon Systems Solutions, Inc. ("Company" or "Plan Sponsor") for the benefit of its full-time employees. The Plan was established on January 1, 2018 after spinning off from the Epsilon Systems Solutions 401(k) Plan ("401(k) Plan"), formerly known as the Epsilon Systems Solutions 401(k) Stock Ownership Plan and Trust ("KSOP"). The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code ("IRC") of 1986, as amended and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

On January 30, 2020, the World Health Organization declared a global health emergency because of the coronavirus (the "COVID-19 outbreak") creating risks to the international community as the virus spread globally beyond its point of origin. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Plan's investment portfolio may incur significant volatility in fair value. Because the values of the Plan's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and the related impact on the Plan's liquidity cannot be determined at this time.

The Plan is administered by the Company's Benefits Committee ("Committee"). The trust department of an independent third-party, Argent Trust Company, is the Plan's Trustee.

On December 28, 2017, the KSOP purchased 6,153,039 shares of Company stock from the Company for $25,842,763 ($4.20 per share as valued in an independent valuation), which was financed with a note payable bearing interest at 2.66% requiring monthly payments of principal and interest. Effective January 1, 2018, the note payable was transferred from the KSOP to the Plan. The loan was refinanced on February 6, 2018. The note payable is to be repaid over a period of twenty-five years by Company contributions. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Allocated shares are subject to vesting.

*General, cont'd*

The note payable is collateralized by unallocated shares of Company stock and is guaranteed by the Company. The lender has no rights against shares of Company stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2022 and 2021 and for the years then ended present separately the assets and liabilities and changes therein pertaining to the accounts of employees with rights in allocated Company stock (allocated) and Company stock not yet allocated to employees (unallocated).

*Eligibility*

Employees who have completed one hour of service and are age 21 or older are eligible to participate in the Plan. Participants who have completed at least 1,000 hours of service during the Plan year and are actively employed on the last working day of the Plan year are generally eligible for an allocation of Company contributions for such year.

*Contributions*

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employee contributions are not permitted.

*Payment of benefits*

Distributions on account of death, disability or retirement are made in a lump sum or substantially equal annual installments over a period not to exceed five years, provided that such installments are for an amount greater than $1,000, in the Plan year following the event. Distributions for other separations from service, such as resignation or dismissal, shall commence no later than one year after the end of the fifth Plan year following the separation from service and are made in five annual installments. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash or in the form of whole or fractional shares of Company common stock, which is determined at the discretion of the Plan Administrator. Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

*Administrative expenses*

As provided in the Plan document, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

*Voting rights*

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

*Participant accounts*

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account, comprised of an ESOP Stock account and ESOP Cash account, is credited as of the last day of each Plan year with an allocation of shares of the Company's stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts or cash. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

*Vesting*

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service. Employer contributions are subject to the following vesting schedule:

| Credited Service | Vested % |
|---|---|
| 1 | 33% |
| 2 | 66% |
| 3 | 100% |

*Put option*

Under Federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

*Diversification*

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55, and has been a participant, including periods of participation in the KSOP, for at least 10 years, may elect to diversify up to 25% (50% in the case of the participants last year of the qualified election period) of the number of post-1986 shares allocated to the participants ESOP Stock account that are eligible for diversification, less any shares previously diversified by transferring such amount to a qualified defined contribution plan of the Company that offers at least three investment options. Participants who elect to diversify receive a cash distribution, in which case, shares are distributed. The election to diversify is made subsequent to year-end within a 90-day period based upon the shares of employer stock in the participant's account at year-end.

*Purchase price protection*

For shares allocated prior to the 2017 ESOP purchase of 6,153,039 shares, qualifying participants requesting a qualified distribution, as of January 1, 2018 and through December 31, 2024, shall be paid a per share amount equal to the greater of the per share fair value as determined by the most recent valuation of the Company common stock held in the Plan and the price protected value as defined in the ESOP agreement.

*Forfeitures*

Any portion of the final balances in a participant's accounts which is not vested will become a forfeiture as of the allocation date of the Plan year in which the participant incurs five-consecutive-year breaks in service. Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. There were 20,477 and 1,620 forfeited shares allocated to participants during December 31, 2022 and 2021, respectively. There are no forfeited non-vested accounts to be allocated to participant accounts in future years as of December 31, 2022 and 2021.

## (2) Summary of Significant Accounting Policies

*Basis of accounting*

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

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

*Allocations*

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

*Investment valuation and income recognition*

The shares of Company stock are valued at fair value. See Note 4 for discussions of fair value measurements. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

*Payment of benefits*

Benefits are recorded when paid.

## (3) Investments

The Plan's investments at December 31, 2022 and 2021 is presented in the following table:

| *December 31, 2022* | Allocated | Unallocated | Total |
|---|---|---|---|
| Company common stock | | | |
| Number of shares | 4,129,918 | 3,229,011 | 7,358,929 |
| Cost | $ 44,888,214 | $ 32,843,673 | $ 77,731,887 |
| Estimated fair value | $ 59,883,811 | $ 46,820,663 | $106,704,474 |

**(3) Investments,** Cont'd

| *December 31, 2021* | Allocated | Unallocated | Total |
|---|---|---|---|
| Company common stock | | | |
| Number of shares | 4,124,608 | 3,390,548 | 7,515,156 |
| Cost | $ 16,702,527 | $ 13,729,964 | $ 30,432,491 |
| Estimated fair value | $ 52,382,518 | $ 43,059,963 | $ 95,442,481 |

**(4) Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Borad Accounting Standards Codification 820 are described below:

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

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**(4) Fair Value Measurements,** Cont'd

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments valued at fair value: | | | | |
| Company common stock | $ - | $ - | $ 106,704,474 | $ 106,704,474 |
| Total investments valued at fair value | $ - | $ - | $ 106,704,477 | $ 106,704,477 |
| Investments valued at NAV (a) (b): | | | | |
| Money Market Fund | | | | $ 17,850 |
| Total investments at NAV | | | | $ 17,850 |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.
(b) The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefit.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments valued at fair value: | | | | |
| Company common stock | $ - | $ - | $ 95,442,481 | $ 95,442,481 |
| Total investments valued at fair value | $ - | $ - | $ 95,442,481 | $ 95,442,481 |
| Investments valued at NAV (a) (b): | | | | |
| Money Market Fund | | | | $ 17,639 |
| Total investments at NAV | | | | $ 17,639 |

(c) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.
(d) The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefit.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2022:

**Changes in Fair Value of Level 3 Assets and Related Gains and Losses**

| | Company Common Stock |
|---|---|
| Balance, beginning of the year | 95,442,481 |
| Realized and unrealized appreciation in fair value | 13,246,073 |
| Sales | (1,984,080) |
| Purchases | - |
| Balance, end of year | $ 106,704,474 |

**(4) Fair Value Measurements,** Cont'd

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

*Money market fund:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Company common stock:* The Company common stock held by the Plan is valued at fair value, as determined by the Trustee, after taking into consideration a valuation from an independent appraiser. This appraisal was based upon a combination of valuation techniques including a discounted cash flow method under the income approach and guideline public company method under the market approach. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, and the ranges of values for those inputs as of December 31, 2022:

| Instrument | December 31, 2022 Fair Value | December 31, 2021 Fair Value | Valuation Technique | Unobservable Inputs |
|---|---|---|---|---|
| Company common stock | $ 106,704,474 | $ 95,442,481 | Income | EBITDA<br>Net income<br>Weighted average cost of capital<br>Discount<br>Discount for lack of marketability |
| | | | Market | Public comparable<br>Revenue multiple<br>EBITDA multiple<br>Discount for lack of marketability |

**(4) Fair Value Measurements,** Cont'd

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

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

**(5) Employee Stock Ownership Plan**

During 2017, the ESOP component of the KSOP entered into an approximately $12,099,000 note payable agreement with the Company and approximately $13,744,000 of promissory notes. The proceeds of the note payable and promissory notes, collectively the Loan ("Loan"), were used to purchase 6,153,039 shares of common stock from certain shareholders.

In February 2018, the Loan was refinanced requiring the ESOP to make two installment payments of principal and interest for $5,812,120, which was paid in September 2018, plus 24 annual installments of principal and interest in the amount of approximately $842,000 to be paid through the maturity date of December 2042. The loan bears interest of 2.66%.

The outstanding balance of the loan at December 31, 2022 was approximately $12,801,000.

Future minimum principal payments on the note payable are as follows:

| *Year Ending December 31,* | | Total |
|---|---|---|
| 2023 | $ | 498,066 |
| 2024 | | 410,598 |
| 2025 | | 523,693 |
| 2026 | | 537,623 |
| 2027 | | 551,924 |
| Thereafter | | 10,279,465 |
| Total | $ | 12,801,369 |

The Loan is collateralized by the unallocated shares of the Company's common stock. There were 3,229,011 unallocated shares at December 31, 2022 with a fair value of $46,820,663. The Company has no rights against shares once they are allocated under the Plan.

## (6) Related-Party and Party-In-Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. The Plan invests in certain investment vehicles held by the Trustee. The Plan's Committee is comprised of employees who are eligible to participate in the Plan. These are related party and party-interest transactions. As described in Note 1, the Company pays all plan expenses. The Plan has a number or service providers. Such service providers are parties in interest under ERISA.

## (7) Plan Termination

Although it has not expressed any intent to do so the Company reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

## (8) Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated March 12, 2020 that the Plan is designed in accordance with the applicable sections of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax 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; however, there are currently no audits for any tax periods in progress.

## (9) Risks and Uncertainties

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

### (10) Transfer to/from 401(k)

The Plan remitted diversification transfers of $260,448 to the 401(k) Plan during 2022.

### (11) Subsequent Events

The Plan has evaluated events that have occurred subsequent to the year ended December 31, 2022, through September 15, 2023, which is the date the financial statements were available to be issued.

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

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**Supplementary Schedules**

# Epsilon Systems Solutions, Inc.
# Employee Stock Ownership Plan and Trust

## Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

**EIN: 52-2129453 Plan #002**

*December 31, 2022*

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Epsilon Systems Solutions, Inc. | Company Common Stock | $ 77,731,887 | $ 106,704,476 |
| * | Argent Trust Company | Money Market Fund | $ 17,850 | $ 17,850 |

* Represents a party-in-interest.

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

Name of Plan:

► Epsilon Systems Solutions, Inc. ESOP

Employer Identification Number:► 52-2129453

For plan year (beginning/ending):► 1/1/2022 - 12/31/2022 Plan number:► 002

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Epsilon Systems Solutions, Inc. ESOP | 7,358,929.2441 shares of common stock | 77,731,887 | 106,704,476 |
| | Argent Trust Company | Money Market | 17,850 | 17,850 |
| | | | | |
| | | | | |
| | | | |