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.)
- ☒ 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
NOVASPECT HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/2016

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)
NOVASPECT HOLDINGS, INC.

1124 TOWER ROAD
SCHAUMBURG, IL 60173

2b Employer Identification Number (EIN) 27-0711939

2c Plan Sponsor's telephone number 847-956-8020

2d Business code (see instructions) 423990

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.	10/13/2023	KELLY MUTUC
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	KELLY MUTUC
	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**	400
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)**	342
a(2) Total number of active participants at the end of the plan year	**6a(2)**	389
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	68
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	457
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**	**6f**	458
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	457
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2F 2I 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)	[ ]	**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 Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
NOVASPECT HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
NOVASPECT HOLDINGS, INC.

D Employer Identification Number (EIN)
27-0711939

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).. . . . . [X] Yes [ ] No

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

(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

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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
NOVASPECT HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
NOVASPECT HOLDINGS, INC.

D Employer Identification Number (EIN)
27-0711939

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)	697613	1273455
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		1
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(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)	15770594	24753428
(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	16468207	26026884
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	1511834	1380370
k Total liabilities (add all amounts in lines 1g through1j)	1k	1511834	1380370
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	14956373	24646514

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)	831328	
(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)		831328
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(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)		
(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)	8982834	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		8982834

		(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		1
d Total income. Add all **income** amounts in column (b) and enter total	2d		9814163
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	89855	
(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)		89855
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		34167
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		124022
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		9690141
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) [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: DHJJ, LTD **(2)** EIN: 36-3029663

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		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

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

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
NOVASPECT HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
NOVASPECT HOLDINGS, INC.

D Employer Identification Number (EIN)
27-0711939

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

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

EIN(s): 42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (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_____



CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Financial Statements and
Independent Auditor's Report

Novaspect Holdings, Inc.
Employee Stock Ownership Plan

December 31, 2022 and 2021

TEL **630 420 1360** FAX **630 420 1463** 184 SHUMAN BLVD, SUITE 200 NAPERVILLE, IL 60563
TEL **630 377 1106** FAX **630 377 2294** 2560 FOXFIELD ROAD, SUITE 300 ST. CHARLES, IL 60174
WWW.DHJJ.COM

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CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Novaspect Holdings, Inc. Employee Stock Ownership Plan
Schaumberg, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Novaspect Holdings, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income and Securities 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 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.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Novaspect Holdings, Inc. Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits 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 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 certifications from a qualified institution as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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 Section103(a)(3)(C).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Novaspect Holdings, Inc. Employee Stock Ownership 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 ERISA Section 103(a)(3)(C) 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. 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 Novaspect Holdings, Inc. Employee Stock Ownership Plan'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 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 the 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 Novaspect Holdings, Inc. Employee Stock Ownership 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 Novaspect Holdings, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures related 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 the 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.

Supplemental Schedules Required by ERISA

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at Year End) as of 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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



In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, 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 schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

DHJJ LTD.

Naperville, Illinois
October 12, 2023

Novaspect Holdings, Inc. Employee Stock Ownership Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2022 and 2021

	2022			2021		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments, at fair value:						
Investment in Novaspect Holdings, Inc. common stock	$ 9,187,192	$ 15,566,236	$ 24,753,428	$ 4,900,170	$ 10,870,424	$ 15,770,594
Interest-bearing cash	1	-	1	-	-	-
Receivables:						
Employer contributions	1,273,455	-	1,273,455	697,613	-	697,613
TOTAL ASSETS	10,460,648	15,566,236	26,026,884	5,597,783	10,870,424	16,468,207
LIABILITIES						
Note payable	-	1,380,370	1,380,370	-	1,511,834	1,511,834
NET ASSETS AVAILABLE FOR BENEFITS	$ 10,460,648	$ 14,185,866	$ 24,646,514	$ 5,597,783	$ 9,358,590	$ 14,956,373

See accompanying notes.

Novaspect Holdings, Inc. Employee Stock Ownership Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2022

		Allocated	Unallocated	Total
ADDITIONS:				
Investment income				
Net appreciation in fair value of investments		$ 2,791,108	$ 6,191,727	$ 8,982,835
Employer contributions		665,697	165,631	831,328
Allocation of 33,081 shares of common stock of Novaspect Holdings, Inc. at estimated fair value of $45.22 per share		1,495,915	-	1,495,915
	TOTAL ADDITIONS	4,952,720	6,357,358	11,310,078
DEDUCTIONS:				
Benefits paid to participants		89,855	-	89,855
Allocation of 33,081 shares of common stock of Novaspect Holdings, Inc. at estimated fair value of $45.22 per share		-	1,495,915	1,495,915
Interest expense		-	34,167	34,167
	TOTAL DEDUCTIONS	89,855	1,530,082	1,619,937
	NET INCREASE	4,862,865	4,827,276	9,690,141
NET ASSETS AVAILABLE FOR BENEFITS				
Beginning of year		5,597,783	9,358,590	14,956,373
	END OF YEAR	$ 10,460,648	$ 14,185,866	$ 24,646,514

See accompanying notes.

NOTE A--DESCRIPTION OF PLAN

The following brief description of the Novaspect Holdings, Inc. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Novaspect Holdings, Inc. ("Company") established the Plan effective January 1, 2016, most recently amended effective January 1, 2022 (see Note I). The Plan operates, in relevant part, as a leveraged employee stock ownership plan ("ESOP") and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is administered by the Company's Board of Directors. GreatBanc Trust Company is the Plan's Trustee.

The Plan, over time, has purchased Company common shares using the proceeds of internal loans with the Company guaranteed by the Company, and holds the stock in a trust established under the Plan (see Note G). The borrowings are to be repaid over a period of years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts.

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2022, and 2021 and for the year ended December 31, 2022, present separately the assets and liabilities and changes therein pertaining to:

1. The accounts of employees with vested rights in allocated stock ("Allocated") and
2. Stock not yet allocated to employees ("Unallocated").

Eligibility

Effective January 1, 2022, employees of the Company are generally eligible to participate in the Plan upon attaining the age of 21 as prescribed in the Plan document. For plan years prior to January 1, 2022, employees of the Company were generally eligible to participate in the Plan after one year of service providing, they have worked at least 1,000 hours during such plan year and attained the age of 21. Effective January 1, 2022, employees automatically become participants in the plan on the first entry date or next following meeting of eligibility requirements. For plan years prior to January 1, 2022, employees automatically become participants in the Plan on January 1 or July 1 following the date 1,000 hours of service are completed and attaining the age of 21. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of the plan year are generally not eligible for an allocation of Company contributions for such year.

Contributions

The Company is obligated to make contributions to the Plan that are sufficient to enable the Plan to make its scheduled payment of principal and interest on the note payable (see Note G). Any contributions in excess of this amount are at the discretion of the Company's Board of Directors.

NOTE A--DESCRIPTION OF PLAN-continued

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' non vested accounts. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Those participants eligible to diversify into a self-directed account have their accounts adjusted for the participant's share of the Company's contributions and is charged with his or her withdrawals and an allocation of administrative expenses. Plan earnings in non-diversification accounts are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances. Earnings on each participant's self-directed diversification account are credited to that participant's specific account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Retirement, Death and Disability

A participant is entitled to 100% of his or her account balance upon retirement, death, or disability.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will be vested in the balance in his or her account based on total year of service with the Company. Effective January 1, 2022, participants vest 100% upon completion of their third year of service. For plan years prior to January 1, 2022, participants vest 100% upon completion of their second year of services.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries. Distributions are made in cash, or in the form of Company stock shares subject to the requirement that Company stock be immediately sold to the Company or back to the Trust at a price equal to its fair market value determined as of the most-recent valuation date. The Company will determine whether benefits are disbursed to a participant in either a lump-sum payment or a series of substantially equal annual installments.

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 with at least 10 years of participation in the Plan may elect to diversify a portion of their accounts. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account less any shares previously diversified. In the sixth year, the percentage changes to 50%.

NOTE A--DESCRIPTION OF PLAN-continued

Put Option

Under Federal income tax regulations, the employer stock is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitation, including a put option. The put option provides participants with the right to demand that the Company buy shares of the Company common stock distributed to them upon termination, at the current appraised value. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

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 for any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote for any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

Forfeitures

Participant forfeitures of non-vested account balances are reallocated to the remaining participants, based upon their relative account balances. There were no forfeitures of non-vested account balances allocated to remaining participants on December 31, 2022, or 2021.

Investment Concentration

The Plan holds approximately 100% of its investments as of December 31, 2022, and 2021 in shares of Company stock which are not readily tradable in an established market.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the plan agreement to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their Company contributions and earning thereon. Upon termination of the Plan, the Board of Directors shall direct the Trustee to pay all liabilities and expense of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

Administrative and Investment Management Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements.

NOTE A--DESCRIPTION OF PLAN-continued

Subsequent Events

Plan management has evaluated subsequent events for recognition and disclosure through October 12, 2023, which is the date the financial statements were available to be issued.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amount and disclosures, and actual results may differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Net appreciation (depreciation) includes the Plan's gain and losses on investments bought and sold as well as held during the year.

Payments of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

Substantially all of the Plan's investments consist of common stock of Novaspect Holdings, Inc. These investment securities as well as the other investments that may be held by the Plan are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with these securities and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE C--INFORMATION CERTIFIED BY TRUSTEE (UNAUDITED)

Substantially all information pertaining to the Plan's investments in common stock at fair value and notes payable included in the financial statements, including the associated net appreciation (depreciation) in fair value of investments, was obtained, or derived from information supplied to the Plan Administrator and certified as complete and accurate by GreatBanc Trust Company, the Trustee of the Plan. This information has not been audited by independent accountants.

NOTE D--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 FASB ASC 820 are described as follows:

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 or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE D--FAIR VALUE MEASUREMENTS-continued

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

The fair value of the Company's common stock is estimated annually, as of the financial statement date, based upon the results of an independent third-party appraisal performed by a business appraiser selected by the Plan Trustee. The appraisals are performed using a combination of the discounted cash flows method, the capitalized cash flow method and the market approach based upon valuation multiples of guideline public companies (Level 3 inputs). Under the discounted cash flows method, projections are based upon past performance as identified in audited and unaudited financial statements of the Company and management's projections of the Company's future performance. The resulting cash flow projections are discounted using a market-related discount rate (which incorporates the Company's estimated weighted average cost of capital). The capitalized cash flow method is an income approach that determines value using the Company's historical performance (adjusted for non-recurring and non-operating items) to develop the capitalization factor selected based on the required rate of return and identified risk associated with investment in the Company. The guideline public companies method identifies pricing multiples of public companies deemed to be comparable to the Company. Under both approaches a discount for a lack of marketability is applied, since the Company's stock is not readily tradable on an established market. The estimated fair value derived in the 2022 and 2021 appraisals reflected a weighting of 1/3 using the discounted cash flows method, 1/3 using the capitalized cash flow method, and 1/3 using the guideline public companies method. The Plan trustee, as fiduciary, is responsible for the final approval of the appraisal, which is then presented to Plan management and the Board of Directors of the Plan Sponsor.

The preceding method 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.

NOTE D--FAIR VALUE MEASUREMENTS-continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
December 31, 2022				
Novaspect Holdings, Inc. Common Stock	$ -	$ -	$ 24,753,428	$ 24,753,428
Investments at fair value	$ -	$ -	$ 24,753,428	$ 24,753,428
December 31, 2021				
Novaspect Holdings, Inc. Common Stock	$ -	$ -	$ 15,770,594	$ 15,770,594
Investments at fair value	$ -	$ -	$ 15,770,594	$ 15,770,594

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

	Novaspect Holdings, Inc. Common Stock
Balance, beginning of year	$ 15,770,594
Total gains or losses included in change in net assets available for benefits:	
Net appreciation in fair value of investments	8,982,834
Balance, end of year	$ 24,753,428

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022, are reported in net appreciation in fair value of investments. The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended December 31, 2022, there were no significant transfers into or out of Level 3.

NOTE E--INVESTMENTS

The number of shares of Company common stock held by the Plan at December 31, 2022 and 2021, are as follows:

	2022		2021	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	203,166.562	344,233.438	170,085.725	377,314.275
Estimated Fair Value	$ 9,187,192	$ 15,566,236	$ 4,900,170	$ 10,870,424

The fair value of company common stock on December 31, 2022, and 2021 was $45.22 and $28.81 per share, respectively.

NOTE F--PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer, and certain others. The Company, on behalf of the Plan, paid professional fees for the administration and audit of the Plan. The Plan's investment in Novaspect Holdings, Inc. common stock qualifies as a party-in-interest investment. The Plan held 547,400 shares of Novaspect Holdings, Inc. common stock on December 31, 2022, and 2021. See Note G for a description of the Plan's notes payable that are guaranteed by the Company.

NOTE G--NOTE PAYABLE

Note payable to the Company at December 31, 2022 and 2021, is $1,380,370 and $1,511,834, respectively, due in annual installments plus interest at an effective rate of 2.26%, due between December 31, 2022 and December 31, 2046, collateralized by the Plan's investment in unallocated shares of common stock of Novaspect Holdings, Inc. The lender has no rights against shares once they are allocated under the ESOP. As of December 31, 2022, and 2021, 344,233 and 377,314 shares of Company stock were held as collateral for the ESOP debt. The schedule of principal payments on this loan are as follows:

Years ending December 31:	
2023	$ 65,732
2024	65,732
2025	65,732
2026	65,732
2027	65,732
Thereafter	1,051,710
	$ 1,380,370

NOTE H--TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 9, 2018, that the Plan and related trust are designated in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan Administrator believes the Plan is currently being operated 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. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE I--PLAN AMENDMENTS

Effective January 1, 2022, the Plan was amended with respect to participant minimum eligibility and Plan entry dates. Effective with the amendment, employees are eligible to participate in the plan upon attaining the age of 21. Additionally, there are no minimum eligible hours or months of services. Upon meeting the eligibility requirements participants automatically enter the Plan on the first date coincident with or the next following meeting of the eligibility requirement.

Effective January 1, 2022, the Plan was amended with respect to vesting. Participants vest 100% upon completion of their third year of service.

SUPPLEMENTARY INFORMATION

Novaspect Holdings, Inc. Employee Stock Ownership Plan

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

December 31, 2022

Name of Plan Sponsor: Novaspect Holdings, Inc.
EIN: 27-0711939
Plan # 003

(a) Party in interest	(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
*	Novaspect Holdings, Inc.	547,400 shares of common stock	$ 3,971,957	$ 24,753,428
				$ 24,753,428

* Party in interest.



CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Financial Statements and
Independent Auditor's Report

Novaspect Holdings, Inc.
Employee Stock Ownership Plan

December 31, 2022 and 2021

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CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Novaspect Holdings, Inc. Employee Stock Ownership Plan
Schaumberg, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Novaspect Holdings, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income and Securities 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 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.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Novaspect Holdings, Inc. Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits 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 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 certifications from a qualified institution as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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 Section103(a)(3)(C).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Novaspect Holdings, Inc. Employee Stock Ownership 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 ERISA Section 103(a)(3)(C) 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. 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 Novaspect Holdings, Inc. Employee Stock Ownership Plan'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 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 the 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 Novaspect Holdings, Inc. Employee Stock Ownership 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 Novaspect Holdings, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures related 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 the 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.

Supplemental Schedules Required by ERISA

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at Year End) as of 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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



In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, 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 schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

DHJJ LTD.

Naperville, Illinois
October 12, 2023

Novaspect Holdings, Inc. Employee Stock Ownership Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2022 and 2021

	2022			2021		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments, at fair value:						
Investment in Novaspect Holdings, Inc. common stock	$ 9,187,192	$ 15,566,236	$ 24,753,428	$ 4,900,170	$ 10,870,424	$ 15,770,594
Interest-bearing cash	1	-	1	-	-	-
Receivables:						
Employer contributions	1,273,455	-	1,273,455	697,613	-	697,613
TOTAL ASSETS	10,460,648	15,566,236	26,026,884	5,597,783	10,870,424	16,468,207
LIABILITIES						
Note payable	-	1,380,370	1,380,370	-	1,511,834	1,511,834
NET ASSETS AVAILABLE FOR BENEFITS	$ 10,460,648	$ 14,185,866	$ 24,646,514	$ 5,597,783	$ 9,358,590	$ 14,956,373

See accompanying notes.

Novaspect Holdings, Inc. Employee Stock Ownership Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2022

		Allocated	Unallocated	Total
ADDITIONS:				
Investment income				
Net appreciation in fair value of investments		$ 2,791,108	$ 6,191,727	$ 8,982,835
Employer contributions		665,697	165,631	831,328
Allocation of 33,081 shares of common stock of Novaspect Holdings, Inc. at estimated fair value of $45.22 per share		1,495,915	-	1,495,915
	TOTAL ADDITIONS	4,952,720	6,357,358	11,310,078
DEDUCTIONS:				
Benefits paid to participants		89,855	-	89,855
Allocation of 33,081 shares of common stock of Novaspect Holdings, Inc. at estimated fair value of $45.22 per share		-	1,495,915	1,495,915
Interest expense		-	34,167	34,167
	TOTAL DEDUCTIONS	89,855	1,530,082	1,619,937
	NET INCREASE	4,862,865	4,827,276	9,690,141
NET ASSETS AVAILABLE FOR BENEFITS				
Beginning of year		5,597,783	9,358,590	14,956,373
	END OF YEAR	$ 10,460,648	$ 14,185,866	$ 24,646,514

See accompanying notes.

NOTE A--DESCRIPTION OF PLAN

The following brief description of the Novaspect Holdings, Inc. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Novaspect Holdings, Inc. ("Company") established the Plan effective January 1, 2016, most recently amended effective January 1, 2022 (see Note I). The Plan operates, in relevant part, as a leveraged employee stock ownership plan ("ESOP") and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is administered by the Company's Board of Directors. GreatBanc Trust Company is the Plan's Trustee.

The Plan, over time, has purchased Company common shares using the proceeds of internal loans with the Company guaranteed by the Company, and holds the stock in a trust established under the Plan (see Note G). The borrowings are to be repaid over a period of years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts.

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2022, and 2021 and for the year ended December 31, 2022, present separately the assets and liabilities and changes therein pertaining to:

1. The accounts of employees with vested rights in allocated stock ("Allocated") and
2. Stock not yet allocated to employees ("Unallocated").

Eligibility

Effective January 1, 2022, employees of the Company are generally eligible to participate in the Plan upon attaining the age of 21 as prescribed in the Plan document. For plan years prior to January 1, 2022, employees of the Company were generally eligible to participate in the Plan after one year of service providing, they have worked at least 1,000 hours during such plan year and attained the age of 21. Effective January 1, 2022, employees automatically become participants in the plan on the first entry date or next following meeting of eligibility requirements. For plan years prior to January 1, 2022, employees automatically become participants in the Plan on January 1 or July 1 following the date 1,000 hours of service are completed and attaining the age of 21. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of the plan year are generally not eligible for an allocation of Company contributions for such year.

Contributions

The Company is obligated to make contributions to the Plan that are sufficient to enable the Plan to make its scheduled payment of principal and interest on the note payable (see Note G). Any contributions in excess of this amount are at the discretion of the Company's Board of Directors.

NOTE A--DESCRIPTION OF PLAN-continued

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' non vested accounts. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Those participants eligible to diversify into a self-directed account have their accounts adjusted for the participant's share of the Company's contributions and is charged with his or her withdrawals and an allocation of administrative expenses. Plan earnings in non-diversification accounts are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances. Earnings on each participant's self-directed diversification account are credited to that participant's specific account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Retirement, Death and Disability

A participant is entitled to 100% of his or her account balance upon retirement, death, or disability.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will be vested in the balance in his or her account based on total year of service with the Company. Effective January 1, 2022, participants vest 100% upon completion of their third year of service. For plan years prior to January 1, 2022, participants vest 100% upon completion of their second year of services.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries. Distributions are made in cash, or in the form of Company stock shares subject to the requirement that Company stock be immediately sold to the Company or back to the Trust at a price equal to its fair market value determined as of the most-recent valuation date. The Company will determine whether benefits are disbursed to a participant in either a lump-sum payment or a series of substantially equal annual installments.

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 with at least 10 years of participation in the Plan may elect to diversify a portion of their accounts. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account less any shares previously diversified. In the sixth year, the percentage changes to 50%.

NOTE A--DESCRIPTION OF PLAN-continued

Put Option

Under Federal income tax regulations, the employer stock is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitation, including a put option. The put option provides participants with the right to demand that the Company buy shares of the Company common stock distributed to them upon termination, at the current appraised value. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

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 for any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote for any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

Forfeitures

Participant forfeitures of non-vested account balances are reallocated to the remaining participants, based upon their relative account balances. There were no forfeitures of non-vested account balances allocated to remaining participants on December 31, 2022, or 2021.

Investment Concentration

The Plan holds approximately 100% of its investments as of December 31, 2022, and 2021 in shares of Company stock which are not readily tradable in an established market.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the plan agreement to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their Company contributions and earning thereon. Upon termination of the Plan, the Board of Directors shall direct the Trustee to pay all liabilities and expense of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

Administrative and Investment Management Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements.

NOTE A--DESCRIPTION OF PLAN-continued

Subsequent Events

Plan management has evaluated subsequent events for recognition and disclosure through October 12, 2023, which is the date the financial statements were available to be issued.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amount and disclosures, and actual results may differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Net appreciation (depreciation) includes the Plan's gain and losses on investments bought and sold as well as held during the year.

Payments of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

Substantially all of the Plan's investments consist of common stock of Novaspect Holdings, Inc. These investment securities as well as the other investments that may be held by the Plan are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with these securities and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE C--INFORMATION CERTIFIED BY TRUSTEE (UNAUDITED)

Substantially all information pertaining to the Plan's investments in common stock at fair value and notes payable included in the financial statements, including the associated net appreciation (depreciation) in fair value of investments, was obtained, or derived from information supplied to the Plan Administrator and certified as complete and accurate by GreatBanc Trust Company, the Trustee of the Plan. This information has not been audited by independent accountants.

NOTE D--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 FASB ASC 820 are described as follows:

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 or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE D--FAIR VALUE MEASUREMENTS-continued

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

The fair value of the Company's common stock is estimated annually, as of the financial statement date, based upon the results of an independent third-party appraisal performed by a business appraiser selected by the Plan Trustee. The appraisals are performed using a combination of the discounted cash flows method, the capitalized cash flow method and the market approach based upon valuation multiples of guideline public companies (Level 3 inputs). Under the discounted cash flows method, projections are based upon past performance as identified in audited and unaudited financial statements of the Company and management's projections of the Company's future performance. The resulting cash flow projections are discounted using a market-related discount rate (which incorporates the Company's estimated weighted average cost of capital). The capitalized cash flow method is an income approach that determines value using the Company's historical performance (adjusted for non-recurring and non-operating items) to develop the capitalization factor selected based on the required rate of return and identified risk associated with investment in the Company. The guideline public companies method identifies pricing multiples of public companies deemed to be comparable to the Company. Under both approaches a discount for a lack of marketability is applied, since the Company's stock is not readily tradable on an established market. The estimated fair value derived in the 2022 and 2021 appraisals reflected a weighting of 1/3 using the discounted cash flows method, 1/3 using the capitalized cash flow method, and 1/3 using the guideline public companies method. The Plan trustee, as fiduciary, is responsible for the final approval of the appraisal, which is then presented to Plan management and the Board of Directors of the Plan Sponsor.

The preceding method 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.

NOTE D--FAIR VALUE MEASUREMENTS-continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
December 31, 2022				
Novaspect Holdings, Inc. Common Stock	$ -	$ -	$ 24,753,428	$ 24,753,428
Investments at fair value	$ -	$ -	$ 24,753,428	$ 24,753,428
December 31, 2021				
Novaspect Holdings, Inc. Common Stock	$ -	$ -	$ 15,770,594	$ 15,770,594
Investments at fair value	$ -	$ -	$ 15,770,594	$ 15,770,594

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

	Novaspect Holdings, Inc. Common Stock
Balance, beginning of year	$ 15,770,594
Total gains or losses included in change in net assets available for benefits:	
Net appreciation in fair value of investments	8,982,834
Balance, end of year	$ 24,753,428

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022, are reported in net appreciation in fair value of investments. The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended December 31, 2022, there were no significant transfers into or out of Level 3.

NOTE E--INVESTMENTS

The number of shares of Company common stock held by the Plan at December 31, 2022 and 2021, are as follows:

	2022		2021	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	203,166.562	344,233.438	170,085.725	377,314.275
Estimated Fair Value	$ 9,187,192	$ 15,566,236	$ 4,900,170	$ 10,870,424

The fair value of company common stock on December 31, 2022, and 2021 was $45.22 and $28.81 per share, respectively.

NOTE F--PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer, and certain others. The Company, on behalf of the Plan, paid professional fees for the administration and audit of the Plan. The Plan's investment in Novaspect Holdings, Inc. common stock qualifies as a party-in-interest investment. The Plan held 547,400 shares of Novaspect Holdings, Inc. common stock on December 31, 2022, and 2021. See Note G for a description of the Plan's notes payable that are guaranteed by the Company.

NOTE G--NOTE PAYABLE

Note payable to the Company at December 31, 2022 and 2021, is $1,380,370 and $1,511,834, respectively, due in annual installments plus interest at an effective rate of 2.26%, due between December 31, 2022 and December 31, 2046, collateralized by the Plan's investment in unallocated shares of common stock of Novaspect Holdings, Inc. The lender has no rights against shares once they are allocated under the ESOP. As of December 31, 2022, and 2021, 344,233 and 377,314 shares of Company stock were held as collateral for the ESOP debt. The schedule of principal payments on this loan are as follows:

Years ending December 31:	
2023	$ 65,732
2024	65,732
2025	65,732
2026	65,732
2027	65,732
Thereafter	1,051,710
	$ 1,380,370

NOTE H--TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 9, 2018, that the Plan and related trust are designated in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan Administrator believes the Plan is currently being operated 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. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE I--PLAN AMENDMENTS

Effective January 1, 2022, the Plan was amended with respect to participant minimum eligibility and Plan entry dates. Effective with the amendment, employees are eligible to participate in the plan upon attaining the age of 21. Additionally, there are no minimum eligible hours or months of services. Upon meeting the eligibility requirements participants automatically enter the Plan on the first date coincident with or the next following meeting of the eligibility requirement.

Effective January 1, 2022, the Plan was amended with respect to vesting. Participants vest 100% upon completion of their third year of service.

SUPPLEMENTARY INFORMATION

Novaspect Holdings, Inc. Employee Stock Ownership Plan

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

December 31, 2022

Name of Plan Sponsor: Novaspect Holdings, Inc.
EIN: 27-0711939
Plan # 003

(a) Party in interest	(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
*	Novaspect Holdings, Inc.	547,400 shares of common stock	$ 3,971,957	$ 24,753,428
				$ 24,753,428

* Party in interest.