

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ 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 THE VERESCENCE 401K PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 06/01/2007
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) VERESCENCE 9141 TECHNOLOGY DRIVE NE COVINGTON, GA 30014
2b	Employer Identification Number (EIN) 23-2812719
2c	Plan Sponsor's telephone number 770-385-3847
2d	Business code (see instructions) 327210

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.	02/21/2025	SCOTT ADAMS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ 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	5 422
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 345 6a(2) 362 6b 0 6c 116 6d 478 6e 3 6f 481 6g(1) 319 6g(2) 392 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:

2K 2T 2F 2J 2G 3D

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan THE VERESCENCE 401K PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 VERESCENCE	D Employer Identification Number (EIN) 23-2812719	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

LPL FINANCIAL LLC

04-3046611

(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?
27	ADVISOR	34487	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	9800	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
ABF SM CAP VALUE Y - SS&C GIDS, IN 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
FH IS HIGH YLD BD IS - SS&C GIDS, 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.05%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
I O INTL GROWTH Y - INVESCO INVEST 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
INVS GLOBAL Y - INVESCO INVESTMENT 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
PIF GLB RL EST IS - PRINCIPAL SHAR 620 COOLIDGE DR FOLSOM, CA 95630-3183	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan THE VERESCENCE 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 VERESCENCE	D Employer Identification Number (EIN) 23-2812719	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	349483	392258
(9) Value of interest in common/collective trusts	1c(9)	796348	878695
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	14166481	17266692
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	15312312	18537645
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	15312312	18537645

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)	719038	
(B) Participants	2a(1)(B)	1170606	
(C) Others (including rollovers)	2a(1)(C)	436	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1890080
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	23303	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		23303
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	577362	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		577362
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		26990
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1991446
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		4509181

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1237115	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1237115
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	9800	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	36933	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		46733
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1283848

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3225333
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: CATRAKILIS KRAITZICK HRABOVA, LLC

(2) EIN: 80-0940952

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)	☒	☐	172380
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.)	☐	☒	
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.)	☐	☒	
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.)	☐	☒	
e Was this plan covered by a fidelity bond?	☒	☐	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?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒	☐	
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.)	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	☐	☒	
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.	☐	☒	

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 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan THE VERESCENCE 401K PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 VERESCENCE				D Employer Identification Number (EIN) 23-2812719	
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	
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): 04-6568107					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

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) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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. _____

Part VII	IRS Compliance Questions
-----------------	---------------------------------

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☒ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A.

V E R E S C E N C E

ANNUAL FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

Verescence North America, Inc. 401(k) Plan

*With the Independent Auditor's Report
As of December 31, 2023 and 2022
and for the years ended December 31, 2023 and 2022*



Global Excellence, Local Expertise.

5 Concourse Parkway, Suite 2850, Atlanta, GA 30328
Member: AICPA, GSCPA

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1 - 3
Financial Statements:	
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to the Financial Statements	6 - 10
Supplementary Information Required by the Department of Labor:	
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions 2023 and 2022	11
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2023	12
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2022	13

INDEPENDENT AUDITOR'S REPORT

To the Administrator and Participants
Verescence North America, Inc. 401(k) Plan
9141 Technology Drive, Covington, GA 30014

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

We have performed audits of the financial statements of Verescence North America, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years ended December 31, 2023, and 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 Verescence North America, Inc. 401(k) 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 to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matter – Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the years ended December 31, 2023 and 2022, and Schedule H, Line 4i - Schedule of Assets held at end of year as of December 31, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified 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).

CKH CPAs and Advisors, LLC

CKH CPAs and Advisors, LLC
Atlanta, Georgia
October 11, 2024



VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Investments, at fair value (Note 3, 4)	\$ 18,145,387	\$ 14,962,829
Receivables:		
Employer contributions	24,381	52,432
Participant contributions	41,633	91,586
Notes receivable from participants	<u>392,258</u>	<u>349,483</u>
Total receivables	458,271	493,501
Net assets available for benefits	<u><u>\$ 18,603,658</u></u>	<u><u>\$ 15,456,330</u></u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2023 and 2022

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Additions:			
Interest and dividends		\$ 604,352	\$ 715,218
Net realized and unrealized appreciation (depreciation) in fair value of investments	8	1,991,446	(3,593,841)
Total investment income (loss)		<u>2,595,798</u>	<u>(2,878,623)</u>
Interest income on notes receivable from participants	8	23,303	15,314
Contributions:			
Participants		1,120,653	964,637
Employer		690,986	542,482
Rollover		436	17,497
		<u>1,812,075</u>	<u>1,524,616</u>
Total additions		<u>4,431,176</u>	<u>(1,338,693)</u>
Deductions:			
Withdrawals and distributions		1,237,115	631,164
Administrative expenses		46,733	45,269
Total deductions		<u>1,283,848</u>	<u>676,433</u>
Net increase (decrease) in net assets before plan transfer out		<u>3,147,328</u>	<u>(2,015,126)</u>
Net assets available for benefits at beginning of year		<u>15,456,330</u>	<u>17,471,456</u>
Net assets available for benefits at end of year		<u>\$ 18,603,658</u>	<u>\$ 15,456,330</u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan

The following description of the Verescence North America, Inc. 401(k) Plan (formerly SGD North America, Inc. 401(k) Plan) (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Fidelity Management Trust Company (Fidelity) is the trustee, record keeper, and investment manager of the Plan, pursuant to a trust agreement dated for August 2020. The investment fund options include five Fidelity funds and twenty-six non-Fidelity funds.

Eligibility

The plan is a defined contribution plan covering all full time employees of Verescence North America, Inc. 401(k) Plan (the "Company" or the "Plan Sponsor"). The plan does not have eligibility service requirement nor does it have an age requirement for employees to participate in the plan. The plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contributions

Each year, participants may contribute up to 50 percent of pretax annual compensation as pre-tax and/or Roth contributions, as defined in the plan, subject to Internal Revenue Code (IRC) limitation (\$22,500 for 2023 and \$20,500 for 2022). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions, subject to IRC limitation (\$7,500 for 2023 and \$6,500 for 2022). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 100 percent of the first 3 percent of the active participant's compensation contributed to the Plan and 50 percent of the next 3 percent of the active participant's compensation contributed to the Plan.

Newly-eligible employees are subject to automatic enrolment in accordance with Section 5.03 (c) of the Basic Plan Document, with an initial pre-tax Deferral Contribution of 3%, 35 days after date of hire. Individuals hired by the Company who do not affirmatively elect not to participate are automatically enrolled in the Plan and will have their compensation reduced by 3% and invested in investments specified in the plan service agreement. The employer match is immediate in line with deferral contributions made by employees.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested at all times in all elective deferrals and rollover contributions made to the Plan plus net earnings thereon. Effective January 1, 2012, the Plan eliminated its vesting schedule for all matching contributions. All matching contributions made after January 1, 2012 are fully vested immediately.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50 percent of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest based on the prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Principal and interest is paid ratably through payroll deductions for active employees.

Payment of Benefits

On termination of service due to retirement, death, disability or other reasons, a participant may receive a lump-sum amount equal to the value of the participant's interest in his or her account.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan (Continued)

Forfeited Accounts

Forfeitures of terminated participants' nonvested accounts are applied to reduce employer contributions and employer portion of administrative expenses. As of December 31, 2023 and 2022, the Plan had \$0 in forfeited accounts that were invested in the Fidelity Retirement Money Market.

Plan Termination and Amendment

Although the Company has not expressed any intent to do so, the Company has the right, under the Plan agreement, to amend any or all provisions of the Plan, as well as discontinue contributions and terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become vested 100% in their accounts, and the net assets of the Plan must be allocated among the participants and beneficiaries of the Plan in the order provided for by ERISA.

Administrative Expenses

The expenses of maintaining the Plan are paid by the Plan Sponsor and include audit fees and legal fees. Administrative expenses incurred by the Plan include loan fees charged directly to the participants' accounts and investment management fees that are netted against investment returns. Fees paid by the Plan participants to the custodian for administrative expenses were \$46,733 and \$45,269 for the years ended December 31, 2023 and 2022, respectively.

2 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (US GAAP). Benefit payments to participants are recorded upon distribution.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

C. Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. The plan accounts for loans on a cash basis, and interest is recorded when payments are received and credited to the participant's account. Any timing delays between when the interest is due and when it is credited are not captured as a receivable asset on the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for loan loss has been recorded as of December 31, 2023 or 2022. If a participant ceases to make loan repayments and the Plan Sponsor deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

D. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value in accordance with Accounting Standards Codification Topic 820 "Fair Value Measurements and Disclosures" ("ASC 820"). Fair value measurement applies when accounting guidance requires or permits assets or liabilities to be measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (i.e., not a forced transaction, such as a liquidation or distressed sale) between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability. If available, quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at amortized cost, which represents fair value. The net asset value is based on the fair value of the underlying investments held by the fund redemption less its liabilities. See Note 4 for fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2 Summary of Significant Accounting Policies (Continued)

E. Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation). Realized and unrealized appreciation (depreciation) is included in the accompanying Statement of Changes in Net Assets Available for Benefits.

F. Payments of Benefits

The Plan records benefit payments to withdrawing participants when paid. Under the rules for preparation of Form 5500, the Plan's Form 5500 will reflect an accrual for the amount to be paid to participants who withdrew from the Plan prior to year-end, and who had requested a distribution which was approved but not yet paid at period end, if any. There were no unpaid distributions at December 31, 2023 and 2022.

3 Investments

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,991,446 in 2023 and depreciated in value by (\$3,593,841) in 2022.

There has been significant volatility in the investment markets both nationally and globally since December 31, 2022, which has resulted in a substantial increase in the value of the Plan's investment portfolio. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

4 Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, establishes a framework for measuring fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Mutual Funds / Money Market Funds

These investments are public investment securities valued using the Net Assets Value (NAV) provided by Fidelity Funds. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market.

Stable Value Funds

The Plan invests in a stable value fund. The stable value fund invests in fully benefit-responsive guaranteed investment contracts (GICs), which are general obligations of the insurance companies that issue the contracts, as well as synthetic GICs and other financial instruments. The stable value fund trades daily at the net asset value (NAV) which is based on the contract value of the underlying GICs and the fair values of other investments.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

4 Fair Value Measurements (Continued)

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Plan management 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.

The table below segregates all financial assets and liabilities as of December 31, 2023 and 2022 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	<i>2023/12/31</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Mutual funds	17 266 692	17 266 692	-	-
Stable value fund	878 695	878 695	-	-
Total investments at fair value	<u>\$ 18 145 387</u>	<u>\$ 18 145 387</u>	<u>\$ -</u>	<u>\$ -</u>
	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	<i>2022/12/31</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Mutual funds	14 166 481	14 166 481	-	-
Stable value fund	796 348	796 348	-	-
Total investments at fair value	<u>\$ 14 962 829</u>	<u>\$ 14 962 829</u>	<u>\$ -</u>	<u>\$ -</u>

5 Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is also the investment trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

6 Federal Income Tax Status

The Plan received a favorable tax opinion letter dated June 30, 2020 from the Internal Revenue Service, which states that the Plan as then designed, qualifies under the applicable provisions of the Internal Revenue Code and that it is therefore exempt from federal income taxes. Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and its exempt status has been maintained. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The Plan evaluates all significant tax positions as required by generally accepted accounting principles in the United States of America. As of December 31, 2023 and 2022, the Plan does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Plan's income tax returns are subject to examination by the appropriate regulatory authorities as of December 31, 2023 and 2022, the Plan's federal tax returns generally remain open for the last 3 years.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

7 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2023 and 2022 to Form 5500:

	December 31,	
	2023	2022
Net assets available for benefits per the financial statements	\$ 18 603 658	\$ 15 456 330
Less: Participant contributions receivable	(41 633)	(91 586)
Less: Employer contributions receivable	(24 381)	(52 432)
Net assets available for benefits per the Form 5500	<u>\$ 18 537 645</u>	<u>\$ 15 312 312</u>

The following is a reconciliation of contributions received from participants, employer and rollovers per the financial statements for the year ended December 31, 2023 and 2022, to Form 5500:

	December 31,	
	2023	2022
Contributions received from participants, employer and rollovers per the financial statements	\$ 1 812 075	\$ 1 524 616
Add: Contributions allocated to additions on Form 5500	144 018	109 757
Less: Contributions allocated to additions on financial statements	(66 013)	(144 018)
Contributions received from participants, employer and rollovers per Form 5500	<u>\$ 1 890 080</u>	<u>\$ 1 490 355</u>

Contributions are accounted for on the accrual basis in the financial statements, whereas Form 5500 is prepared on the cash basis.

8 Information Certified by Trustee (Unaudited)

All investment information in the accompanying financial statements and supplemental schedules (schedule of assets held at end of year), including investments held and notes receivable from participants at December 31, 2023 and 2022, net change in fair value of investments and interest income for the year ended December 31, 2023, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Fidelity Management Company (Fidelity), the Plan's custodian. Accordingly, Fidelity has certified to the completeness and accuracy of the following:

	December 31,	
	2023	2022
Statements of net assets		
Investments at fair value	\$ 18 537 645	\$ 15 312 312
Statement of changes in net assets		
Investment income:		
Interest and dividends	\$ 604 352	\$ 715 218
Net realized and unrealized appreciation in fair value of investment	1 991 446	(3 593 841)
Interest income on notes receivable from participants	23 303	15 314

9 Risk and Uncertainties

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

10 Subsequent Events

The Plan administrator has evaluated subsequent events through October 11, 2024, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to October 11, 2024, that would have a material impact on the Plan's financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
for the years ended December 31, 2023 and 2022

		Total That Constitute Nonexempt Prohibited Transactions			
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected under VFCP and PTE 2002-51
Participant Contributions Transferred Late to the Plan					
Check here if late participant loans contributions are included	X				
2023 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 172,922	\$ -
2022 participant contribution transferred late to the Plan*		\$ -	\$ -	\$ 42,338	\$ -

*Upon further review, the delinquent participant contributions and loan repayments were recalculated to total \$100,815 for the 2021 and 2022 years. Management is currently working with legal counsel to quantify and correct the lost earnings related to contributions that were remitted late to the plan during the 2021, 2022, and 2023 plan years.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2023

EIN: 23-2812719

Form 5500

Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 3,138,571
	American Funds	Large Growth, Target-Date 2035	**	1,894,333
	American Funds	Large Blend, Target-Date 2025	**	1,092,092
	American Funds	Large Growth, Target-Date 2055	**	872,494
	American Funds	Large Growth, Target-Date 2040	**	861,086
	American Funds	Large Growth, Target-Date 2050	**	748,824
	American Funds	Large Growth, Target-Date 2045	**	414,904
	American Funds	Large Growth, Target-Date 2060	**	390,802
	American Funds	Large Blend, Target-Date 2020	**	277,927
	American Funds	Large Blend, Target-Date 2000-2010	**	178,220
	American Funds	Large Blend	**	153,668
	American Funds	Large Growth, Diversified Emerging Mkts	**	41,999
	American Funds	Large Blend, Target-Date 2015	**	9,003
	American Funds	Mid-Cap Value	**	7,414
*	Fidelity Investments	Large Growth	**	1,586,814
*	Fidelity Investments	Large Blend	**	795,970
*	Fidelity Investments	Intermediate Core-Plus Bond	**	465,425
*	Fidelity Investments	Small Growth	**	110,365
*	Fidelity Investments	Large Blend	**	94,319
	MFS	Mid Value	**	1,107,577
	MFS	Large Growth	**	496,245
	Investco Discovery	Small Growth	**	653,979
	Investco Oppenheimer	Large Growth	**	603,711
	Investco	Large Growth	**	258,940
	Vanguard	Small Blend	**	465,334
	Federated Hermes Institutional	High Yield Bond	**	348,727
	Federated Hermes	Mid Growth	**	61,855
	American Beacon	Small value	**	86,129
	Principal	Global Real Estate, Mid Cap Blend	**	40,783
	Dimensional Fund Advisors	Inflation-Protected Bond	**	9,183
				<u>17,266,692</u>
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	878,695
				<u>878,695</u>
				<u>\$ 18,145,387</u>
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 9.5% and maturity dates through 2032		<u>\$ 392,258</u>

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2022

EIN: 23-2812719

Form 5500

Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 2,613,674
	American Funds	Large Growth, Target-Date 2035	**	1,566,069
	American Funds	Large Blend, Target-Date 2025	**	989,839
	American Funds	Large Growth, Target-Date 2040	**	688,415
	American Funds	Large Growth, Target-Date 2050	**	539,912
	American Funds	Large Growth, Target-Date 2055	**	539,286
	American Funds	Large Growth, Target-Date 2045	**	309,608
	American Funds	Large Blend, Target-Date 2020	**	231,985
	American Funds	Large Blend, Target-Date 2000-2010	**	209,314
	American Funds	Large Growth, Target-Date 2060	**	194,754
	American Funds	Large Blend	**	125,396
	American Funds	Large Blend, Target-Date 2015	**	18,935
	American Funds	Large Growth, Diversified Emerging Mkts	**	14,742
	American Funds	Mid-Cap Value	**	6,900
*	Fidelity Investments	Large Growth	**	1,004,768
*	Fidelity Investments	Large Blend	**	815,415
*	Fidelity Investments	Intermediate Core-Plus Bond	**	403,627
*	Fidelity Investments	Small Growth	**	92,932
*	Fidelity Investments	Large Blend	**	41,984
	MFS	Mid Value	**	910,173
	MFS	Large Growth	**	529,253
	Investco Discovery	Small Growth	**	658,689
	Investco Oppenheimer	Large Growth	**	597,798
	Investco	Large Growth	**	184,202
	Vanguard	Small Blend	**	388,408
	Federated Hermes Institutional	High Yield Bond	**	326,444
	Federated Hermes	Mid Growth	**	51,468
	American Beacon	Small value	**	72,943
	Principal	Global Real Estate, Mid Cap Blend	**	36,030
	Dimensional Fund Advisors	Inflation-Protected Bond	**	3,517
				14,166,481
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	796,348
				796,348
				\$ 14,962,829
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 7.25% and maturity dates through 2032		\$ 349,483

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included

V E R E S C E N C E

ANNUAL FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

Verescence North America, Inc. 401(k) Plan

*With the Independent Auditor's Report
As of December 31, 2023 and 2022
and for the years ended December 31, 2023 and 2022*



Global Excellence, Local Expertise.

5 Concourse Parkway, Suite 2850, Atlanta, GA 30328
Member: AICPA, GSCPA

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1 - 3
Financial Statements:	
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to the Financial Statements	6 - 10
Supplementary Information Required by the Department of Labor:	
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions 2023 and 2022	11
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2023	12
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2022	13

INDEPENDENT AUDITOR'S REPORT

To the Administrator and Participants
Verescence North America, Inc. 401(k) Plan
9141 Technology Drive, Covington, GA 30014

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

We have performed audits of the financial statements of Verescence North America, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years ended December 31, 2023, and 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 Verescence North America, Inc. 401(k) 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 to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matter – Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the years ended December 31, 2023 and 2022, and Schedule H, Line 4i - Schedule of Assets held at end of year as of December 31, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified 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).

CKH CPAs and Advisors, LLC

CKH CPAs and Advisors, LLC
Atlanta, Georgia
October 11, 2024



VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Investments, at fair value (Note 3, 4)	\$ 18,145,387	\$ 14,962,829
Receivables:		
Employer contributions	24,381	52,432
Participant contributions	41,633	91,586
Notes receivable from participants	<u>392,258</u>	<u>349,483</u>
Total receivables	458,271	493,501
Net assets available for benefits	<u><u>\$ 18,603,658</u></u>	<u><u>\$ 15,456,330</u></u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2023 and 2022

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Additions:			
Interest and dividends		\$ 604,352	\$ 715,218
Net realized and unrealized appreciation (depreciation) in fair value of investments	8	1,991,446	(3,593,841)
Total investment income (loss)		<u>2,595,798</u>	<u>(2,878,623)</u>
Interest income on notes receivable from participants	8	23,303	15,314
Contributions:			
Participants		1,120,653	964,637
Employer		690,986	542,482
Rollover		436	17,497
		<u>1,812,075</u>	<u>1,524,616</u>
Total additions		<u>4,431,176</u>	<u>(1,338,693)</u>
Deductions:			
Withdrawals and distributions		1,237,115	631,164
Administrative expenses		46,733	45,269
Total deductions		<u>1,283,848</u>	<u>676,433</u>
Net increase (decrease) in net assets before plan transfer out		<u>3,147,328</u>	<u>(2,015,126)</u>
Net assets available for benefits at beginning of year		<u>15,456,330</u>	<u>17,471,456</u>
Net assets available for benefits at end of year		<u>\$ 18,603,658</u>	<u>\$ 15,456,330</u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan

The following description of the Verescence North America, Inc. 401(k) Plan (formerly SGD North America, Inc. 401(k) Plan) (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Fidelity Management Trust Company (Fidelity) is the trustee, record keeper, and investment manager of the Plan, pursuant to a trust agreement dated for August 2020. The investment fund options include five Fidelity funds and twenty-six non-Fidelity funds.

Eligibility

The plan is a defined contribution plan covering all full time employees of Verescence North America, Inc. 401(k) Plan (the "Company" or the "Plan Sponsor"). The plan does not have eligibility service requirement nor does it have an age requirement for employees to participate in the plan. The plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contributions

Each year, participants may contribute up to 50 percent of pretax annual compensation as pre-tax and/or Roth contributions, as defined in the plan, subject to Internal Revenue Code (IRC) limitation (\$22,500 for 2023 and \$20,500 for 2022). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions, subject to IRC limitation (\$7,500 for 2023 and \$6,500 for 2022). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 100 percent of the first 3 percent of the active participant's compensation contributed to the Plan and 50 percent of the next 3 percent of the active participant's compensation contributed to the Plan.

Newly-eligible employees are subject to automatic enrolment in accordance with Section 5.03 (c) of the Basic Plan Document, with an initial pre-tax Deferral Contribution of 3%, 35 days after date of hire. Individuals hired by the Company who do not affirmatively elect not to participate are automatically enrolled in the Plan and will have their compensation reduced by 3% and invested in investments specified in the plan service agreement. The employer match is immediate in line with deferral contributions made by employees.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested at all times in all elective deferrals and rollover contributions made to the Plan plus net earnings thereon. Effective January 1, 2012, the Plan eliminated its vesting schedule for all matching contributions. All matching contributions made after January 1, 2012 are fully vested immediately.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50 percent of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest based on the prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Principal and interest is paid ratably through payroll deductions for active employees.

Payment of Benefits

On termination of service due to retirement, death, disability or other reasons, a participant may receive a lump-sum amount equal to the value of the participant's interest in his or her account.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan (Continued)

Forfeited Accounts

Forfeitures of terminated participants' nonvested accounts are applied to reduce employer contributions and employer portion of administrative expenses. As of December 31, 2023 and 2022, the Plan had \$0 in forfeited accounts that were invested in the Fidelity Retirement Money Market.

Plan Termination and Amendment

Although the Company has not expressed any intent to do so, the Company has the right, under the Plan agreement, to amend any or all provisions of the Plan, as well as discontinue contributions and terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become vested 100% in their accounts, and the net assets of the Plan must be allocated among the participants and beneficiaries of the Plan in the order provided for by ERISA.

Administrative Expenses

The expenses of maintaining the Plan are paid by the Plan Sponsor and include audit fees and legal fees. Administrative expenses incurred by the Plan include loan fees charged directly to the participants' accounts and investment management fees that are netted against investment returns. Fees paid by the Plan participants to the custodian for administrative expenses were \$46,733 and \$45,269 for the years ended December 31, 2023 and 2022, respectively.

2 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (US GAAP). Benefit payments to participants are recorded upon distribution.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

C. Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. The plan accounts for loans on a cash basis, and interest is recorded when payments are received and credited to the participant's account. Any timing delays between when the interest is due and when it is credited are not captured as a receivable asset on the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for loan loss has been recorded as of December 31, 2023 or 2022. If a participant ceases to make loan repayments and the Plan Sponsor deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

D. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value in accordance with Accounting Standards Codification Topic 820 "Fair Value Measurements and Disclosures" ("ASC 820"). Fair value measurement applies when accounting guidance requires or permits assets or liabilities to be measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (i.e., not a forced transaction, such as a liquidation or distressed sale) between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability. If available, quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at amortized cost, which represents fair value. The net asset value is based on the fair value of the underlying investments held by the fund redemption less its liabilities. See Note 4 for fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2 Summary of Significant Accounting Policies (Continued)

E. Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation). Realized and unrealized appreciation (depreciation) is included in the accompanying Statement of Changes in Net Assets Available for Benefits.

F. Payments of Benefits

The Plan records benefit payments to withdrawing participants when paid. Under the rules for preparation of Form 5500, the Plan's Form 5500 will reflect an accrual for the amount to be paid to participants who withdrew from the Plan prior to year-end, and who had requested a distribution which was approved but not yet paid at period end, if any. There were no unpaid distributions at December 31, 2023 and 2022.

3 Investments

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,991,446 in 2023 and depreciated in value by (\$3,593,841) in 2022.

There has been significant volatility in the investment markets both nationally and globally since December 31, 2022, which has resulted in a substantial increase in the value of the Plan's investment portfolio. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

4 Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, establishes a framework for measuring fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Mutual Funds / Money Market Funds

These investments are public investment securities valued using the Net Assets Value (NAV) provided by Fidelity Funds. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market.

Stable Value Funds

The Plan invests in a stable value fund. The stable value fund invests in fully benefit-responsive guaranteed investment contracts (GICs), which are general obligations of the insurance companies that issue the contracts, as well as synthetic GICs and other financial instruments. The stable value fund trades daily at the net asset value (NAV) which is based on the contract value of the underlying GICs and the fair values of other investments.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

4 Fair Value Measurements (Continued)

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Plan management 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.

The table below segregates all financial assets and liabilities as of December 31, 2023 and 2022 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	<i>2023/12/31</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Mutual funds	17 266 692	17 266 692	-	-
Stable value fund	878 695	878 695	-	-
Total investments at fair value	<u>\$ 18 145 387</u>	<u>\$ 18 145 387</u>	<u>\$ -</u>	<u>\$ -</u>
	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	<i>2022/12/31</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Mutual funds	14 166 481	14 166 481	-	-
Stable value fund	796 348	796 348	-	-
Total investments at fair value	<u>\$ 14 962 829</u>	<u>\$ 14 962 829</u>	<u>\$ -</u>	<u>\$ -</u>

5 Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is also the investment trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

6 Federal Income Tax Status

The Plan received a favorable tax opinion letter dated June 30, 2020 from the Internal Revenue Service, which states that the Plan as then designed, qualifies under the applicable provisions of the Internal Revenue Code and that it is therefore exempt from federal income taxes. Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and its exempt status has been maintained. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The Plan evaluates all significant tax positions as required by generally accepted accounting principles in the United States of America. As of December 31, 2023 and 2022, the Plan does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Plan's income tax returns are subject to examination by the appropriate regulatory authorities as of December 31, 2023 and 2022, the Plan's federal tax returns generally remain open for the last 3 years.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

7 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2023 and 2022 to Form 5500:

	December 31,	
	2023	2022
Net assets available for benefits per the financial statements	\$ 18 603 658	\$ 15 456 330
Less: Participant contributions receivable	(41 633)	(91 586)
Less: Employer contributions receivable	(24 381)	(52 432)
Net assets available for benefits per the Form 5500	<u>\$ 18 537 645</u>	<u>\$ 15 312 312</u>

The following is a reconciliation of contributions received from participants, employer and rollovers per the financial statements for the year ended December 31, 2023 and 2022, to Form 5500:

	December 31,	
	2023	2022
Contributions received from participants, employer and rollovers per the financial statements	\$ 1 812 075	\$ 1 524 616
Add: Contributions allocated to additions on Form 5500	144 018	109 757
Less: Contributions allocated to additions on financial statements	(66 013)	(144 018)
Contributions received from participants, employer and rollovers per Form 5500	<u>\$ 1 890 080</u>	<u>\$ 1 490 355</u>

Contributions are accounted for on the accrual basis in the financial statements, whereas Form 5500 is prepared on the cash basis.

8 Information Certified by Trustee (Unaudited)

All investment information in the accompanying financial statements and supplemental schedules (schedule of assets held at end of year), including investments held and notes receivable from participants at December 31, 2023 and 2022, net change in fair value of investments and interest income for the year ended December 31, 2023, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Fidelity Management Company (Fidelity), the Plan's custodian. Accordingly, Fidelity has certified to the completeness and accuracy of the following:

	December 31,	
	2023	2022
Statements of net assets		
Investments at fair value	\$ 18 537 645	\$ 15 312 312
Statement of changes in net assets		
Investment income:		
Interest and dividends	\$ 604 352	\$ 715 218
Net realized and unrealized appreciation in fair value of investment	1 991 446	(3 593 841)
Interest income on notes receivable from participants	23 303	15 314

9 Risk and Uncertainties

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

10 Subsequent Events

The Plan administrator has evaluated subsequent events through October 11, 2024, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to October 11, 2024, that would have a material impact on the Plan's financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
for the years ended December 31, 2023 and 2022

		Total That Constitute Nonexempt Prohibited Transactions			
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected under VFCP and PTE 2002-51
Participant Contributions Transferred Late to the Plan					
Check here if late participant loans contributions are included	X				
2023 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 172,922	\$ -
2022 participant contribution transferred late to the Plan*		\$ -	\$ -	\$ 42,338	\$ -

*Upon further review, the delinquent participant contributions and loan repayments were recalculated to total \$100,815 for the 2021 and 2022 years. Management is currently working with legal counsel to quantify and correct the lost earnings related to contributions that were remitted late to the plan during the 2021, 2022, and 2023 plan years.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2023

EIN: 23-2812719

Form 5500

Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 3,138,571
	American Funds	Large Growth, Target-Date 2035	**	1,894,333
	American Funds	Large Blend, Target-Date 2025	**	1,092,092
	American Funds	Large Growth, Target-Date 2055	**	872,494
	American Funds	Large Growth, Target-Date 2040	**	861,086
	American Funds	Large Growth, Target-Date 2050	**	748,824
	American Funds	Large Growth, Target-Date 2045	**	414,904
	American Funds	Large Growth, Target-Date 2060	**	390,802
	American Funds	Large Blend, Target-Date 2020	**	277,927
	American Funds	Large Blend, Target-Date 2000-2010	**	178,220
	American Funds	Large Blend	**	153,668
	American Funds	Large Growth, Diversified Emerging Mkts	**	41,999
	American Funds	Large Blend, Target-Date 2015	**	9,003
	American Funds	Mid-Cap Value	**	7,414
*	Fidelity Investments	Large Growth	**	1,586,814
*	Fidelity Investments	Large Blend	**	795,970
*	Fidelity Investments	Intermediate Core-Plus Bond	**	465,425
*	Fidelity Investments	Small Growth	**	110,365
*	Fidelity Investments	Large Blend	**	94,319
	MFS	Mid Value	**	1,107,577
	MFS	Large Growth	**	496,245
	Investco Discovery	Small Growth	**	653,979
	Investco Oppenheimer	Large Growth	**	603,711
	Investco	Large Growth	**	258,940
	Vanguard	Small Blend	**	465,334
	Federated Hermes Institutional	High Yield Bond	**	348,727
	Federated Hermes	Mid Growth	**	61,855
	American Beacon	Small value	**	86,129
	Principal	Global Real Estate, Mid Cap Blend	**	40,783
	Dimensional Fund Advisors	Inflation-Protected Bond	**	9,183
				<u>17,266,692</u>
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	878,695
				<u>878,695</u>
				<u>\$ 18,145,387</u>
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 9.5% and maturity dates through 2032		<u>\$ 392,258</u>

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2022

EIN: 23-2812719

Form 5500

Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 2,613,674
	American Funds	Large Growth, Target-Date 2035	**	1,566,069
	American Funds	Large Blend, Target-Date 2025	**	989,839
	American Funds	Large Growth, Target-Date 2040	**	688,415
	American Funds	Large Growth, Target-Date 2050	**	539,912
	American Funds	Large Growth, Target-Date 2055	**	539,286
	American Funds	Large Growth, Target-Date 2045	**	309,608
	American Funds	Large Blend, Target-Date 2020	**	231,985
	American Funds	Large Blend, Target-Date 2000-2010	**	209,314
	American Funds	Large Growth, Target-Date 2060	**	194,754
	American Funds	Large Blend	**	125,396
	American Funds	Large Blend, Target-Date 2015	**	18,935
	American Funds	Large Growth, Diversified Emerging Mkts	**	14,742
	American Funds	Mid-Cap Value	**	6,900
*	Fidelity Investments	Large Growth	**	1,004,768
*	Fidelity Investments	Large Blend	**	815,415
*	Fidelity Investments	Intermediate Core-Plus Bond	**	403,627
*	Fidelity Investments	Small Growth	**	92,932
*	Fidelity Investments	Large Blend	**	41,984
	MFS	Mid Value	**	910,173
	MFS	Large Growth	**	529,253
	Investco Discovery	Small Growth	**	658,689
	Investco Oppenheimer	Large Growth	**	597,798
	Investco	Large Growth	**	184,202
	Vanguard	Small Blend	**	388,408
	Federated Hermes Institutional	High Yield Bond	**	326,444
	Federated Hermes	Mid Growth	**	51,468
	American Beacon	Small value	**	72,943
	Principal	Global Real Estate, Mid Cap Blend	**	36,030
	Dimensional Fund Advisors	Inflation-Protected Bond	**	3,517
				<u>14,166,481</u>
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	796,348
				<u>796,348</u>
				<u>\$ 14,962,829</u>
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 7.25% and maturity dates through 2032		<u>\$ 349,483</u>

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included

V E R E S C E N C E

ANNUAL FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

Verescence North America, Inc. 401(k) Plan

*With the Independent Auditor's Report
As of December 31, 2023 and 2022
and for the years ended December 31, 2023 and 2022*



Global Excellence, Local Expertise.

5 Concourse Parkway, Suite 2850, Atlanta, GA 30328
Member: AICPA, GSCPA

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN

TABLE OF CONTENTS

Title	Page
Independent Auditor's Report	1 - 3
Financial Statements:	
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to the Financial Statements	6 - 10
Supplementary Information Required by the Department of Labor:	
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions 2023 and 2022	11
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions 2022 and 2021	12
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2023	13
Schedule H, Line 4i - Schedule of Assets (Held At End of Year) 2022	14

INDEPENDENT AUDITOR'S REPORT

To the Administrator and Participants
Verescence North America, Inc. 401(k) Plan
9141 Technology Drive, Covington, GA 30014

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

We have performed audits of the financial statements of Verescence North America, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years ended December 31, 2023, and 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 Verescence North America, Inc. 401(k) 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 to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Verescence North America, Inc. 401(k) 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 Verescence North America, Inc. 401(k) 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 relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matter – Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the years ended December 31, 2023 and 2022, and Schedule H, Line 4i - Schedule of Assets held at end of year as of December 31, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified 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).

CKH CPAs and Advisors, LLC

CKH CPAs and Advisors, LLC
Atlanta, Georgia

October 11, 2024 (except for Schedule H, Line 4i - Schedule of Assets (Held at End of Year) 2023 and 2022, as to which the date is February 10, 2025)



VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Investments, at fair value (Note 3, 4)	\$ 18,145,387	\$ 14,962,829
Receivables:		
Employer contributions	24,381	52,432
Participant contributions	41,633	91,586
Notes receivable from participants	<u>392,258</u>	<u>349,483</u>
Total receivables	458,271	493,501
Net assets available for benefits	<u><u>\$ 18,603,658</u></u>	<u><u>\$ 15,456,330</u></u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2023 and 2022

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Additions:			
Interest and dividends		\$ 604,352	\$ 715,218
Net realized and unrealized appreciation (depreciation) in fair value of investments	8	1,991,446	(3,593,841)
Total investment income (loss)		<u>2,595,798</u>	<u>(2,878,623)</u>
Interest income on notes receivable from participants	8	23,303	15,314
Contributions:			
Participants		1,120,653	964,637
Employer		690,986	542,482
Rollover		436	17,497
		<u>1,812,075</u>	<u>1,524,616</u>
Total additions		<u>4,431,176</u>	<u>(1,338,693)</u>
Deductions:			
Withdrawals and distributions		1,237,115	631,164
Administrative expenses		46,733	45,269
Total deductions		<u>1,283,848</u>	<u>676,433</u>
Net increase (decrease) in net assets before plan transfer out		<u>3,147,328</u>	<u>(2,015,126)</u>
Net assets available for benefits at beginning of year		<u>15,456,330</u>	<u>17,471,456</u>
Net assets available for benefits at end of year		<u>\$ 18,603,658</u>	<u>\$ 15,456,330</u>

See accompanying notes to the financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan

The following description of the Verescence North America, Inc. 401(k) Plan (formerly SGD North America, Inc. 401(k) Plan) (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Fidelity Management Trust Company (Fidelity) is the trustee, record keeper, and investment manager of the Plan, pursuant to a trust agreement dated for August 2020. The investment fund options include five Fidelity funds and twenty-six non-Fidelity funds.

Eligibility

The plan is a defined contribution plan covering all full time employees of Verescence North America, Inc. 401(k) Plan (the "Company" or the "Plan Sponsor"). The plan does not have eligibility service requirement nor does it have an age requirement for employees to participate in the plan. The plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contributions

Each year, participants may contribute up to 50 percent of pretax annual compensation as pre-tax and/or Roth contributions, as defined in the plan, subject to Internal Revenue Code (IRC) limitation (\$22,500 for 2023 and \$20,500 for 2022). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions, subject to IRC limitation (\$7,500 for 2023 and \$6,500 for 2022). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 100 percent of the first 3 percent of the active participant's compensation contributed to the Plan and 50 percent of the next 3 percent of the active participant's compensation contributed to the Plan.

Newly-eligible employees are subject to automatic enrolment in accordance with Section 5.03 (c) of the Basic Plan Document, with an initial pre-tax Deferral Contribution of 3%, 35 days after date of hire. Individuals hired by the Company who do not affirmatively elect not to participate are automatically enrolled in the Plan and will have their compensation reduced by 3% and invested in investments specified in the plan service agreement. The employer match is immediate in line with deferral contributions made by employees.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested at all times in all elective deferrals and rollover contributions made to the Plan plus net earnings thereon. Effective January 1, 2012, the Plan eliminated its vesting schedule for all matching contributions. All matching contributions made after January 1, 2012 are fully vested immediately.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50 percent of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest based on the prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Principal and interest is paid ratably through payroll deductions for active employees.

Payment of Benefits

On termination of service due to retirement, death, disability or other reasons, a participant may receive a lump-sum amount equal to the value of the participant's interest in his or her account.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1 Description of Plan (Continued)

Forfeited Accounts

Forfeitures of terminated participants' nonvested accounts are applied to reduce employer contributions and employer portion of administrative expenses. As of December 31, 2023 and 2022, the Plan had \$0 in forfeited accounts that were invested in the Fidelity Retirement Money Market.

Plan Termination and Amendment

Although the Company has not expressed any intent to do so, the Company has the right, under the Plan agreement, to amend any or all provisions of the Plan, as well as discontinue contributions and terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become vested 100% in their accounts, and the net assets of the Plan must be allocated among the participants and beneficiaries of the Plan in the order provided for by ERISA.

Administrative Expenses

The expenses of maintaining the Plan are paid by the Plan Sponsor and include audit fees and legal fees. Administrative expenses incurred by the Plan include loan fees charged directly to the participants' accounts and investment management fees that are netted against investment returns. Fees paid by the Plan participants to the custodian for administrative expenses were \$46,733 and \$45,269 for the years ended December 31, 2023 and 2022, respectively.

2 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (US GAAP). Benefit payments to participants are recorded upon distribution.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

C. Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. The plan accounts for loans on a cash basis, and interest is recorded when payments are received and credited to the participant's account. Any timing delays between when the interest is due and when it is credited are not captured as a receivable asset on the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for loan loss has been recorded as of December 31, 2023 or 2022. If a participant ceases to make loan repayments and the Plan Sponsor deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

D. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value in accordance with Accounting Standards Codification Topic 820 "Fair Value Measurements and Disclosures" ("ASC 820"). Fair value measurement applies when accounting guidance requires or permits assets or liabilities to be measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (i.e., not a forced transaction, such as a liquidation or distressed sale) between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability. If available, quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at amortized cost, which represents fair value. The net asset value is based on the fair value of the underlying investments held by the fund redemption less its liabilities. See Note 4 for fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2 Summary of Significant Accounting Policies (Continued)

E. Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation). Realized and unrealized appreciation (depreciation) is included in the accompanying Statement of Changes in Net Assets Available for Benefits.

F. Payments of Benefits

The Plan records benefit payments to withdrawing participants when paid. Under the rules for preparation of Form 5500, the Plan's Form 5500 will reflect an accrual for the amount to be paid to participants who withdrew from the Plan prior to year-end, and who had requested a distribution which was approved but not yet paid at period end, if any. There were no unpaid distributions at December 31, 2023 and 2022.

3 Investments

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,991,446 in 2023 and depreciated in value by (\$3,593,841) in 2022.

There has been significant volatility in the investment markets both nationally and globally since December 31, 2022, which has resulted in a substantial increase in the value of the Plan's investment portfolio. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

4 Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, establishes a framework for measuring fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Mutual Funds / Money Market Funds

These investments are public investment securities valued using the Net Assets Value (NAV) provided by Fidelity Funds. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market.

Stable Value Funds

The Plan invests in a stable value fund. The stable value fund invests in fully benefit-responsive guaranteed investment contracts (GICs), which are general obligations of the insurance companies that issue the contracts, as well as synthetic GICs and other financial instruments. The stable value fund trades daily at the net asset value (NAV) which is based on the contract value of the underlying GICs and the fair values of other investments.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

4 Fair Value Measurements (Continued)

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Plan management 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.

The table below segregates all financial assets and liabilities as of December 31, 2023 and 2022 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	2023/12/31	Level 1	Level 2	Level 3
Mutual funds	17 266 692	17 266 692	-	-
Stable value fund	878 695	878 695	-	-
Total investments at fair value	<u>\$ 18 145 387</u>	<u>\$ 18 145 387</u>	<u>\$ -</u>	<u>\$ -</u>

	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	2022/12/31	Level 1	Level 2	Level 3
Mutual funds	14 166 481	14 166 481	-	-
Stable value fund	796 348	796 348	-	-
Total investments at fair value	<u>\$ 14 962 829</u>	<u>\$ 14 962 829</u>	<u>\$ -</u>	<u>\$ -</u>

5 Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is also the investment trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

6 Federal Income Tax Status

The Plan received a favorable tax opinion letter dated June 30, 2020 from the Internal Revenue Service, which states that the Plan as then designed, qualifies under the applicable provisions of the Internal Revenue Code and that it is therefore exempt from federal income taxes. Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and its exempt status has been maintained. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The Plan evaluates all significant tax positions as required by generally accepted accounting principles in the United States of America. As of December 31, 2023 and 2022, the Plan does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Plan's income tax returns are subject to examination by the appropriate regulatory authorities as of December 31, 2023 and 2022, the Plan's federal tax returns generally remain open for the last 3 years.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

7 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2023 and 2022 to Form 5500:

	December 31,	
	2023	2022
Net assets available for benefits per the financial statements	\$ 18 603 658	\$ 15 456 330
Less: Participant contributions receivable	(41 633)	(91 586)
Less: Employer contributions receivable	(24 381)	(52 432)
Net assets available for benefits per the Form 5500	<u>\$ 18 537 645</u>	<u>\$ 15 312 312</u>

The following is a reconciliation of contributions received from participants, employer and rollovers per the financial statements for the year ended December 31, 2023 and 2022, to Form 5500:

	December 31,	
	2023	2022
Contributions received from participants, employer and rollovers per the financial statements	\$ 1 812 075	\$ 1 524 616
Add: Contributions allocated to additions on Form 5500	144 018	109 757
Less: Contributions allocated to additions on financial statements	(66 013)	(144 018)
Contributions received from participants, employer and rollovers per Form 5500	<u>\$ 1 890 080</u>	<u>\$ 1 490 355</u>

Contributions are accounted for on the accrual basis in the financial statements, whereas Form 5500 is prepared on the cash basis.

8 Information Certified by Trustee (Unaudited)

All investment information in the accompanying financial statements and supplemental schedules (schedule of assets held at end of year), including investments held and notes receivable from participants at December 31, 2023 and 2022, net change in fair value of investments and interest income for the year ended December 31, 2023, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Fidelity Management Company (Fidelity), the Plan's custodian. Accordingly, Fidelity has certified to the completeness and accuracy of the following:

	December 31,	
	2023	2022
Statements of net assets		
Investments at fair value	\$ 18 537 645	\$ 15 312 312
Statement of changes in net assets		
Investment income:		
Interest and dividends	\$ 604 352	\$ 715 218
Net realized and unrealized appreciation in fair value of investment	1 991 446	(3 593 841)
Interest income on notes receivable from participants	23 303	15 314

9 Risk and Uncertainties

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

10 Subsequent Events

The Plan administrator has evaluated subsequent events through October 11, 2024, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to October 11, 2024, that would have a material impact on the Plan's financial statements.

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
for the years ended December 31, 2023 and 2022

		Total That Constitute Nonexempt Prohibited Transactions			
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected under VFCP and PTE 2002-51
Participant Contributions Transferred Late to the Plan					
Check here if late participant loans contributions are included	X				
2023 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 71 900	\$ -
2022 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 100 480	\$ -
Total		\$ -	\$ -	\$ 172 380	\$ -

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
for the years ended December 31, 2022 and 2021

		Total That Constitute Nonexempt Prohibited Transactions			
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected under VFCP and PTE 2002-51
Participant Contributions Transferred Late to the Plan					
Check here if late participant loans contributions are included		X			
2022 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 92 494	\$ -
2021 participant contribution transferred late to the Plan		\$ -	\$ -	\$ 7 986	\$ -
Total		\$ -	\$ -	\$ 100 480	\$ -

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2023

EIN: 23-2812719
Form 5500
Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 3 138 571
	American Funds	Large Growth, Target-Date 2035	**	1 894 333
	American Funds	Large Blend, Target-Date 2025	**	1 092 092
	American Funds	Large Growth, Target-Date 2055	**	872 494
	American Funds	Large Growth, Target-Date 2040	**	861 086
	American Funds	Large Growth, Target-Date 2050	**	748 824
	American Funds	Large Growth, Target-Date 2045	**	414 904
	American Funds	Large Growth, Target-Date 2060	**	390 802
	American Funds	Large Blend, Target-Date 2020	**	277 927
	American Funds	Large Blend, Target-Date 2000-2010	**	178 220
	American Funds	Large Blend	**	153 668
	American Funds	Large Growth, Diversified Emerging Mkts	**	41 999
	American Funds	Large Blend, Target-Date 2015	**	9 003
	American Funds	Mid-Cap Value	**	7 414
*	Fidelity Investments	Large Growth	**	1 586 814
*	Fidelity Investments	Large Blend	**	795 970
*	Fidelity Investments	Intermediate Core-Plus Bond	**	465 425
*	Fidelity Investments	Small Growth	**	110 365
*	Fidelity Investments	Large Blend	**	94 319
	MFS	Mid Value	**	1 107 577
	MFS	Large Growth	**	496 245
	Investco Discovery	Small Growth	**	653 979
	Investco Oppenheimer	Large Growth	**	603 711
	Investco	Large Growth	**	258 940
	Vanguard	Small Blend	**	465 334
	Federated Hermes Institutional	High Yield Bond	**	348 727
	Federated Hermes	Mid Growth	**	61 855
	American Beacon	Small value	**	86 129
	Principal	Global Real Estate, Mid Cap Blend	**	40 783
	Dimensional Fund Advisors	Inflation-Protected Bond	**	9 183
				17 266 692
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	878 695
				878 695
				\$ 18 145 387
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 9.5% and maturity dates through 2032	\$	392 258

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included

VERESCENCE NORTH AMERICA, INC. 401(k) PLAN
Schedule H, Line 4i - Schedule of Assets (Held At End of Year)
as of December 31, 2022

EIN: 23-2812719
Form 5500
Plan Number: 38722

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value	(e) Current value
Mutual Funds				
	American Funds	Large Blend, Target-Date 2030	**	\$ 2 613 674
	American Funds	Large Growth, Target-Date 2035	**	1 566 069
	American Funds	Large Blend, Target-Date 2025	**	989 839
	American Funds	Large Growth, Target-Date 2040	**	688 415
	American Funds	Large Growth, Target-Date 2050	**	539 912
	American Funds	Large Growth, Target-Date 2055	**	539 286
	American Funds	Large Growth, Target-Date 2045	**	309 608
	American Funds	Large Blend, Target-Date 2020	**	231 985
	American Funds	Large Blend, Target-Date 2000-2010	**	209 314
	American Funds	Large Growth, Target-Date 2060	**	194 754
	American Funds	Large Blend	**	125 396
	American Funds	Large Blend, Target-Date 2015	**	18 935
	American Funds	Large Growth, Diversified Emerging Mkts	**	14 742
	American Funds	Mid-Cap Value	**	6 900
*	Fidelity Investments	Large Growth	**	1 004 768
*	Fidelity Investments	Large Blend	**	815 415
*	Fidelity Investments	Intermediate Core-Plus Bond	**	403 627
*	Fidelity Investments	Small Growth	**	92 932
*	Fidelity Investments	Large Blend	**	41 984
	MFS	Mid Value	**	910 173
	MFS	Large Growth	**	529 253
	Investco Discovery	Small Growth	**	658 689
	Investco Oppenheimer	Large Growth	**	597 798
	Investco	Large Growth	**	184 202
	Vanguard	Small Blend	**	388 408
	Federated Hermes Institutional	High Yield Bond	**	326 444
	Federated Hermes	Mid Growth	**	51 468
	American Beacon	Small value	**	72 943
	Principal	Global Real Estate, Mid Cap Blend	**	36 030
	Dimensional Fund Advisors	Inflation-Protected Bond	**	3 517
				<u>14 166 481</u>
Stable Value Funds				
	Putnam Investments	Stable Value Fund	**	796 348
				<u>796 348</u>
				<u>\$ 14 962 829</u>
*	Notes Receivable from Participants	Loans with interest rates ranging from 4.25% to 7.25% and maturity dates through 2032	\$	<u>349 483</u>

* Represents party-in-interest transactions

** Cost basis is not required for participant-directed investments and therefore is not included