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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) _____

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

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

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

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan
HANKY PANKY LTD. ESOP

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2016

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
HANKY PANKY LTD.

45 WEST 25TH STREET, 10TH FLOOR
NEW YORK, NY 10010

2b Employer Identification Number (EIN)
13-2915616

2c Plan Sponsor's telephone number
212-725-4996

2d Business code (see instructions)
315990

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2026	LIDA ORZECK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a	Plan administrator's name and address [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
4	If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:	**4b**	EIN
a	Sponsor's name	**4d**	PN
c	Plan Name		

5	Total number of participants at the beginning of the plan year	**5**	186
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	77
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	77
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	107
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	184
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	184
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	117
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	114
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2E 2P 2Q

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

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1) [ ]	Insurance	**(1)** [ ]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(4)** [ ]	General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **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 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
HANKY PANKY LTD. ESOP

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HANKY PANKY LTD.

D Employer Identification Number (EIN)
13-2915616

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	0	169149
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	133013	135339
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	133013	304488
Liabilities			
1g Benefit claims payable	1g	0	0
1h Operating payables	1h	0	0
1i Acquisition indebtedness	1i	0	0
1j Other liabilities	1j	0	0
1k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	133013	304488

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	169149	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		169149
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2326	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2326
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		171475
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		0
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		171475
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: MAYER HOFFMAN MCCANN CPAS **(2)** EIN: 43-1947695

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.)	**4a**		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [X] Yes [ ] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
HANKY PANKY LTD. ESOP

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HANKY PANKY LTD.

D Employer Identification Number (EIN)
13-2915616

Part I Distributions

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

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

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

EIN(s): _____ _____

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

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

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

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

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

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

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

6	a	Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
	b	Enter the amount contributed by the employer to the plan for this plan year	6b	
	c	Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c	

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) 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 ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number_____.

HANKY PANKY LTD. ESOP

Financial Statements

December 31, 2021

HANKY PANKY LTD. ESOP

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INDEPENDENT AUDITORS' REPORT

To the Trustees
Hanky Panky Ltd. ESOP

Opinion

We have audited the financial statements of the Hanky Panky Ltd. ESOP (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2021 and 2020, and the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2021 and 2020, and the changes in its net assets (deficit) available for benefits for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

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



New York, New York
February 9, 2023

HANKY PANKY LTD. ESOP
Statements of Net Assets (Deficit) Available for Benefits
December 31, 2021 and 2020

	2021			2020		
	Allocated	**Unallocated**	**Total**	**Allocated**	**Unallocated**	**Total**
Assets:						
Investments at fair value (Notes 4 and 5):						
Cash equivalent	$ 843	$ 1,186	$ 2,029	$ 843	$ 1,156	$ 1,999
Investment in Hanky Panky Ltd. common stock	972,175	1,727,825	2,700,000	1,492,006	3,207,994	4,700,000
Employer contributions receivable	8,992	-	8,992	-	-	-
Total assets	982,010	1,729,011	2,711,021	1,492,849	3,209,150	4,701,999
Liabilities:						
Loan payable (Note 6)	-	8,168,321	8,168,321	-	8,612,184	8,612,184
Other payables	9,835	-	9,835	843	-	843
Total liabilities	9,835	8,168,321	8,178,156	843	8,612,184	8,613,027
Net assets (deficit) available for benefits	$ 972,175	$ (6,439,310)	$ (5,467,135)	$ 1,492,006	$ (5,403,034)	$ (3,911,028)

See Notes to Financial Statements.

HANKY PANKY LTD. ESOP
Statement of Changes in Net Assets (Deficit) Available for Benefits
For the Year Ended December 31, 2021

	Allocated	Unallocated	Total
Additions:			
Employer contributions	$ 8,992	$ 658,922	$ 667,914
Interest income	-	27	27
Allocation of 3,409.3422 shares of common stock of Hanky Panky Ltd. at fair value	200,299	-	200,299
Total additions	209,291	658,949	868,240
Deductions:			
Net unrealized depreciation in fair value of investments	720,130	1,279,870	2,000,000
Interest expense (Note 6)	-	215,056	215,056
Distributions to participants	8,232	-	8,232
Administrative fees	760	-	760
Allocation of 3,409.3422 shares of common stock of Hanky Panky Ltd. at fair value	-	200,299	200,299
Total deductions	729,122	1,695,225	2,424,347
Net decrease	(519,831)	(1,036,276)	(1,556,107)
Net assets (deficit) available for benefits:			
Beginning of year	1,492,006	(5,403,034)	(3,911,028)
End of year	$ 972,175	$ (6,439,310)	$ (5,467,135)

See Notes to Financial Statements.

Note 1 - Description of Plan

The following description of the Hanky Panky Ltd. ESOP (the "Plan") is provided for general information purposes only. Participants should refer to the plan document or summary plan description for a more complete description of the Plan's provisions, which are available from the plan administrator.

General

The Plan is a defined contribution plan sponsored by Hanky Panky Ltd. (the "Company") and was established effective January 1, 2016. The Plan was established for the benefit of eligible employees of the Company and its affiliated entities. The Plan is intended to be an employee stock ownership plan ("ESOP") within the meaning of section 4975(e) (7) of the Internal Revenue Code of 1986, as amended (the "IRC"), and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is intended to enable eligible employees to acquire ownership interests in Company stock. The Plan is specifically permitted and designed to invest up to 100% of its assets in Company stock.

The Plan is administered by a member of the Board of Directors of the Company. As of September 2017, the trust department of an independent third-party financial institution is the Plan's trustee.

On September 15, 2017, the Plan purchased 80,000 shares of Company stock (100% of total shares outstanding) from the stockholders of the Company for $12,700,000 ($158.75 per share as valued in an independent valuation), using the proceeds of two promissory notes payable from the Company's stockholders. On October 5, 2017, the Company entered into a refinanced seller loan and pledge agreement ("new note") with the trustee to assume the two promissory notes from the sellers for the entire balance. The new note is payable to the Company and bears interest at 2.5%, requiring annual payments of principal and interest over a period of twenty years by Company contributions. As the Plan makes each payment of debt service, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Allocated shares are subject to vesting.

The new note is collateralized by unallocated shares of Company stock. The lender has no right against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2021 and 2020 and for the year ended December 31, 2021 present separately the assets and liabilities and changes therein pertaining to the accounts of employees with vested rights in allocated Company stock (allocated) and Company stock not yet allocated to employees (unallocated).

Note 1 - Description of Plan (Continued)

Eligibility

The Plan covers all eligible employees, as defined, except those employees covered by a collective bargaining agreement, leased employees and non-resident aliens. Employees who are over the age of twenty-one and are actively employed on the last day of the plan year shall be eligible to share in the Company's contribution for the year. Employees of the Company are generally eligible to participate in the Plan on January 1 of the year in which the employee has attained the age of twenty-one and has completed the required service period.

Contributions

The Board of Directors of the Company will determine the annual contribution amount subject to limitations set forth in the IRC, which is no less than the amount required to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan (see Note 6). Employee contributions are not permitted.

Payment of Benefits

Upon termination of service before normal retirement age (65), unless otherwise elected by the participant, the payment of benefits shall commence in the fifth plan year following the separation from service.

Upon termination of service due to normal retirement, disability or death, unless otherwise elected by the participant, the payment of benefits shall commence not later than one year following the end of the plan year in which the participant terminates employment with the Company.

Required minimum distributions must begin no later than April 1st of the calendar year following the later of: (a) the calendar year in which the participant reaches age 72 or (b) the calendar year in which the participant retires.

Distributions will be paid in accordance with plan provisions. Distributions are made in cash or, if a participant elects, in the form of Company stock plus cash for any fractional shares of stock. Distributions for account balances in a participant's account will be made in the form of a lump sum or substantially equal annual installments over a period not to exceed five years. The amount to be distributed is based upon the immediately preceding valuation date. Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

Note 1 - Description of Plan (Continued)

Administrative Expenses

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

Voting Rights

Each participant is entitled to direct the trustee as to the exercise of any voting rights attributable to shares of Company stock then allocated to his or her account. The trustee shall vote any unallocated shares or any allocated shares as to which no voting instructions have been received subject to the trustee's fiduciary duties under ERISA.

Participant Accounts

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

Vesting

If a participant's employment with the Company ends for any reason other than normal retirement, permanent disability or death, they will vest in the balance in their account based on total years of service with the Company as follows:

Years of Service	% Vested
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years or more	100%

Note 1 - Description of Plan (Continued)

Put Option

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

Diversification

Diversification is offered to active participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Active participants who are at least age fifty-five with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible active participant over a six-year period. In each of the first five years, an active participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution, in which case, shares are distributed. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeited Accounts

Plan forfeitures are allocated to each participant's account in the same manner as employer contributions. Forfeitures allocated to participants during the year ended December 31, 2021 totaled approximately $12,000.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Allocations

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

Investment Valuation and Income Recognition

The shares of Company stock are valued at fair value. See Note 5 for discussions of fair value measurements.

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

Payment of Benefits

Benefits are recorded when paid.

Note 3 - Administration of Plan Assets

The Plan's assets, which mainly consist of the Company's common stock, are held by the trustee of the Plan. Company contributions are held and managed by the trustee, which invests cash received and dividend income, and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company.

Note 4 - Investments

The Plan's investment at December 31, 2021 and 2020 is presented in the following table:

	2021		2020	
	Allocated	Unallocated	Allocated	Unallocated
Hanky Panky Ltd. common stock:				
Number of shares	28,805	51,195	25,396	54,604
Cost	$ 4,572,824	$ 8,127,176	$ 4,031,591	$ 8,668,409
Estimated fair value	$ 972,175	$ 1,727,825	$ 1,492,006	$ 3,207,994

Note 5 - Fair Value Measurements

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

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

	Investments at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash equivalent	$ 2,029	$ -	$ -	$ 2,029
Common stock	-	-	2,700,000	2,700,000
	$ 2,029	$ -	$ 2,700,000	$ 2,702,029

	Investments at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash equivalent	$ 1,999	$ -	$ -	$ 1,999
Common stock	-	-	4,700,000	4,700,000
	$ 1,999	$ -	$ 4,700,000	$ 4,701,999

Note 5 - Fair Value Measurements (Continued)

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

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2021:

	Common Stock
Balance, beginning of year	$ 4,700,000
Unrealized depreciation in estimated fair value	(2,000,000)
Balance, end of year	$ 2,700,000
The amount of total losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets still held at the reporting date	$ (2,000,000)

Unrealized losses included in changes in net assets for the period above are reported in net unrealized depreciation in fair value of investments in the statement of changes in net assets (deficit) available for benefits.

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash equivalent: Valued at amortized cost, which approximates fair value.

Company stock: The Sponsor Company common stock held by the Plan is valued at fair value based upon an appraisal. At December 31, 2021, the appraisal was based on the Black-Scholes option pricing model. At December 31, 2020, the appraisal was based upon a combination of the market and income valuation techniques. Both appraisal techniques are illustrated in the following table:

Instrument	Fair Value December 31, 2021	Principle Valuation Technique	Unobservable Inputs
Hanky Panky Ltd. common stock	$2,700,000	Black-Scholes Option Pricing Model	Strike price Enterprise value Expected life in years Expected stock price volatility Risk-free interest rate Discount for lack of marketability

Note 5 - Fair Value Measurements (Continued)

Instrument	Fair Value December 31, 2020	Principle Valuation Technique	Unobservable Inputs
Hanky Panky Ltd. common stock	$4,700,000	Income	EBITDA Weighted-average cost of capital Long-term revenue growth Net income Discount for lack of marketability
		Market	Public comparables EBITDA multiples Discount for lack of marketability

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

The change in the principle valuation technique for the 2021 valuation is due to the Company's enterprise value under the income and market approach being below the value of the Company's net interest-bearing debt outstanding as of the valuation date. Accordingly, in order to value the equity of the Company in the aggregate, the Black-Scholes Option Pricing Model was applied.

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

Note 6 - Related Party and Party-in-Interest Transactions

On September 15, 2017, the Plan entered into two internal promissory notes with the Company's stockholders amounting to $12,700,000. The proceeds of the notes were used to purchase the Company's common stock.

On October 5, 2017, in conjunction with the Company's stockholders refinancing the loan with the Company, the Company entered into a new note with the trustee to assume the two internal promissory notes from the sellers for the entire balance of $12,700,000. The new note bears interest at 2.5% per annum and is payable in annual installments of principal and interest of approximately $659,000 by Company contributions through December 31, 2036.

Note 6 - Related Party and Party-in-Interest Transactions (Continued)

The Company is obligated to make cash contributions to enable the Plan to make its regularly scheduled payments of principal and interest due on this note payable. As the Plan makes principal and interest payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. For financial reporting purposes, the shares pledged as collateral are reported as unallocated ESOP shares in the statement of changes in net assets (deficit) available for benefits.

As of December 31, 2021, future principal payments under the new note are approximately as follows:

2022	$ 455,000
2023	466,000
2024	478,000
2025	490,000
2026	502,000
Thereafter	5,777,000
	$ 8,168,000

Interest expense for the year ended December 31, 2021 was approximately $215,000.

The Plan's investment in common stock and the new note qualify as party-in-interest transactions.

The Plan also has a number of service providers that qualify as parties-in-interest under ERISA.

Note 7 - Plan Termination

On September 30, 2022, the Board of Directors of the Company voted to terminate the Plan at an effective date that is yet to be determined, at which time a termination amendment will be adopted by the Board of Directors. Upon such plan termination, participants would become 100% vested in their employer contributions. The interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the plan terms and related regulations. Upon termination of the Plan, the trustee shall pay all liabilities and expenses of the trust fund and sell shares of financed Company stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

Note 8 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan by a letter dated May 9, 2018, that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

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

Note 9 - Risks and Uncertainties

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

Note 10 - Subsequent Events

The Plan has evaluated subsequent events through February 9, 2023, which is the date the financial statements were available to be issued. No other significant matters were identified for disclosure during this evaluation, other than what is disclosed in Note 7.

SUPPLEMENTARY INFORMATION

HANKY PANKY LTD. ESOP
(Supplementary Information)
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
as of December 31, 2021

EIN: 13-2915616
PN: 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Investments at fair value:			
	Goldman Sachs Financial Square Government Fund		$ 2,029	$ 2,029
*	Hanky Panky Ltd. common stock - 80,000 shares		12,700,000	2,700,000
				$ 2,702,029

* Represents a party-in-interest as defined by ERISA.

See accompanying Independent Auditors' Report.

Docusign Envelope ID: 63B92312-9E40-8FB9-83EC-C9A5966A4EAF

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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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) _____

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

C If the plan is a collectively-bargained plan, check here. . . . . ▶ ☐

D Check box if filing under:
- ☒ Form 5558
- ☐ automatic extension
- ☐ the DFVC program
- ☐ special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ ☐

Part II Basic Plan Information—enter all requested information

1a Name of plan
Hanky Panky Ltd. ESOP

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2016

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

Hanky Panky Ltd.

45 West 25th Street, 10th Floor

New York NY 10010

2b Employer Identification Number (EIN)
13-2915616

2c Plan Sponsor's telephone number
212-725-4996

2d Business code (see instructions)
315990

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	Signed by: Lida Orzeck 34F012FB1D0B4FF...	10/15/2026	Lida Orzeck
	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

HANKY PANKY LTD. ESOP
(Supplementary Information)
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
as of December 31, 2021

EIN: 13-2915616
PN: 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Investments at fair value:			
	Goldman Sachs Financial Square Government Fund		$ 2,029	$ 2,029
*	Hanky Panky Ltd. common stock - 80,000 shares		12,700,000	2,700,000
				$ 2,702,029

* Represents a party-in-interest as defined by ERISA.

See accompanying Independent Auditors' Report.