

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 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ 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)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>BIOLOGICS, INC. 401(K) PROFIT SHARING PLAN</u>		1b Three-digit plan number (PN) ▶ <u>001</u> 1c Effective date of plan <u>01/01/1997</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	<u>BIOLOGICS, INC.</u>		2b Employer Identification Number (EIN) <u>56-1861614</u> 2c Plan Sponsor's telephone number <u>919-546-9810</u> 2d Business code (see instructions) <u>621510</u>
<u>11800 WESTON PARKWAY</u> <u>CARY, NC 27513</u>			

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/03/2015	TAMARA HART
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 161
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) 143
a(2) Total number of active participants at the end of the plan year	6a(2) 258
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 17
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 275
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 275
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 224
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2G 2J 2K 3D 2A	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 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
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>BIOLOGICS, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BIOLOGICS, INC.</u>	D Employer Identification Number (EIN) <u>56-1861614</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure 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)

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?
60 64 65	RECORDKEEPER	100	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

AXA ADVISORS LLC

525 WASHINGTON BLVD FL 29
JERSEY CITY, NJ 07310

(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?
55	ADVISOR	0	Yes ☒ No ☐	Yes ☒ No ☐	2178	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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
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.	
COL DIVIDEND OPP R - COLUMBIA MGT 04-3156901	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.	
COL MID CAP IDX A - COLUMBIA MGT I 04-3156901	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.	
EV ATL CAP SMID-CP R - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940	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.	
EV INC FUND BOSTON A - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940	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.	
FKLN SM CAP GRTH R - FRANKLIN TEMP 94-3167260	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.	
INVS EQ-WGT S&P500 R - INVESCO INV 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.
JPM SM CAP VALUE R2 - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160	0.25%	
(a) Enter service provider name as it appears on line 2		(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.
LD ABT INCOME R3 - DST SYSTEMS, IN 43-1581814	0.25%	
(a) Enter service provider name as it appears on line 2		(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.
MFS INTL VALUE R2 - MFS SERVICE CE 04-2865649	0.15%	

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.	
MFS MA INV GR STK R2 - MFS SERVICE 04-2865649	0.15%	
(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.	
OPPHMR INTL GRTH R - OFI GLOBAL AS TWO WORLD FINANCIAL CENTER 225 LIBERTY STREET, 14TH FLOOR NEW YORK, NY 10281	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.	
VICTORY ESTB VALUE R - CITI FUND S 31-1249295	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.	
VICTORY FD FOR INC A - CITI FUND S 31-1249295	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AXA ADVISORS LLC	55	2178
(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.	
NATIONAL FINANCIAL SERVICES LLC 04-3523567	---	
(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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>BIOLOGICS, INC. 401(K) PROFIT SHARING PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BIOLOGICS, INC.</u>		D Employer Identification Number (EIN) <u>56-1861614</u>

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	15334	0
(2) Participant contributions.....	1b(2)	43827	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	29907	1444
(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)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3875723	5204963
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(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	3964791	5206407

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	3964791	5206407
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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)	234968	
(B) Participants	2a(1)(B)	551985	
(C) Others (including rollovers)	2a(1)(C)	453724	
(2) Noncash contributions	2a(2)	0	1240677
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1	
(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)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	261259
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	261259	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		261259
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	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	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-11334
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		1490603

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	248887	
(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)		248887
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) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	100	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		100
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		248987

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1241616
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(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) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: **BATCHELOR, TILLERY & ROBERTS, LLP**

(2) EIN: **56-1750124**

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

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.).....

	Yes	No	Amount
4a	☒	☐	82747
4b	☐	☒	

	Yes	No	Amount
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.)		X	
4c			
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.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		600000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
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?.....		X	
4g			
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?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
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.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
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.		X	
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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 If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 section 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 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>BIOLOGICS, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BIOLOGICS, INC.</u>	D Employer Identification Number (EIN) <u>56-1861614</u>

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): <u>04-6568107</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

BIOLOGICS, INC. 401(k)
PROFIT SHARING PLAN

Financial Statements and Schedules

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

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Independent Auditors' Report

The Trustees and Participants
Biologics, Inc. 401(k) Profit Sharing Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 5, which was certified by Lincoln Financial Group or Fidelity Management Trust Company, the trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions from November 1, 2013 to December 31, 2014, and that Lincoln Financial Group held the Plan's investment assets and executed investment transactions from January 1, 2013 to October 31, 2013. The plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) and of delinquent participant contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Batchelor, Tilley & Roberts, LLP

August 20, 2015

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Investments, at fair value:		
Mutual funds	\$ 5,204,963	3,875,723
Money market fund	<u>1,444</u>	<u>29,907</u>
Total investments, at fair value	<u>5,206,407</u>	<u>3,905,630</u>
Receivables:		
Employer contributions	-	15,334
Employee contributions	<u>-</u>	<u>43,827</u>
Total receivables	<u>-</u>	<u>59,161</u>
Net assets available for plan benefits	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions to net assets:		
Contributions:		
Employer contributions	\$ 235,160	193,481
Employee contributions	551,985	444,796
Rollover contributions	453,724	149,913
	<u>1,240,869</u>	<u>788,190</u>
Investment return:		
Net (depreciation) appreciation in fair value of investments	(11,335)	535,711
Interest and dividend income	261,069	95,000
	<u>249,734</u>	<u>630,711</u>
Total additions	<u>1,490,603</u>	<u>1,418,901</u>
Deductions from net assets:		
Benefit payments	248,887	240,037
Administrative fees	100	22,051
Total deductions	<u>248,987</u>	<u>262,088</u>
Net increase in net assets available for plan benefits	1,241,616	1,156,813
Net assets available for plan benefits, beginning of year	<u>3,964,791</u>	<u>2,807,978</u>
Net assets available for plan benefits, end of year	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

The following description of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants in the Plan should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan became effective on January 1, 1997 as a 401(k) profit sharing plan. The Plan is sponsored by Biologics, Inc. (the "Company"). The Plan covers all full-time employees of the Company, who are at least age 21 and have one month of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective November 1, 2013, the Plan adopted a Fidelity Volume Submitter Defined Contribution Plan. As of that date, all assets of the Plan were transferred from Lincoln Financial Group to Fidelity Management Trust Company, as trustee.

(b) Contributions

Each year, participants can elect to defer a percentage of their compensation into the Plan, not to exceed the limits of the Internal Revenue Code. The Company has elected to make a nonelective safe harbor employer contribution equal to 3% of compensation for each eligible participant.

The Company can also elect on an annual basis to make a discretionary matching contribution equal to a percentage of the eligible contributions made by each eligible participant during the year. During 2014 and 2013, no discretionary matching contributions were made.

Participants can deposit "rollovers" (distributions from other qualified plans) into the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions and Plan earnings (losses). Allocations are based on participants' compensation 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.

(d) Vesting

Participants are 100% vested in the salary reduction and safe harbor amounts contributed to the Plan. Vesting in the Company's discretionary contribution portion of their accounts is based on their years of continuous service. Vesting for discretionary contributions begins in the second year of service and vests at the rate of 20% per year so that participants are 100% vested in such contributions after six years of service.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(1) Description of Plan, Continued

(e) Investment Options

Upon enrollment in the Plan, a participant may direct employee and employer contributions in a variety of investment options.

(f) Payment of Benefits

Generally, participants become eligible to receive benefits on their normal retirement age (65), death, disability, termination of employment, or reasons of proven financial hardship. Participants may receive 100% of their account balance in substantially equal installments or a lump sum. As of December 31, 2014 and 2013, no amounts had been allocated to the accounts of participants who have elected to withdraw from the Plan, but have not been paid.

(g) Forfeited Accounts

Forfeited balances of terminated participants' nonvested accounts will be used to reduce future Company matching contributions. As of December 31, 2014 and 2013, forfeitures totaling \$1,444 were available to reduce future Company matching contributions.

(h) Participant Loans

Participants are not permitted to borrow from their individual fund account.

(2) Summary of Significant Accounting Policies

(a) 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 net assets available for plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(b) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

(b) Fair Value Measurements, Continued

The three levels of inputs that may be used to measure fair value are described below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: one or more significant inputs or significant value drivers that are unobservable or based on market assumptions

(c) Investment Valuation and Income Recognition

Investments in mutual funds managed by the Plan's trustee are valued on the last business day of the year based on the current market values (quoted prices in active markets) of the funds.

The Plan presents in the statement of changes in net assets available for plan benefits the net appreciation (depreciation) in the market value of its investments which consists of realized gains or losses and the unrealized appreciation (depreciation) on investments held at year-end.

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.

(d) Payment of Benefits

Benefits are recorded as expense when paid.

(3) Administrative and Investment Costs

The Company paid for certain administrative expenses on behalf of the Plan for 2014 and 2013. These amounts are not included in the statements of changes in net assets available for plan benefits. Beginning November 1, 2013 investment management fees are charged to the individual funds in the Plan and are included in the net appreciation (depreciation) in the fair value of investments.

(4) Federal Income Taxes

The Plan's trustee has received an opinion letter dated March 31, 2014, in which the Internal Revenue Service stated that the form of the prototype plan which the Company has adopted is acceptable under the applicable requirements of the Internal Revenue Code for use by employers for the benefit of their employees. Therefore, no provision for income taxes has been included in the financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(4) Federal Income Taxes, Continued

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 position that more likely than not would not be sustained upon examination by relevant taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax years ended December 31, 2011 to December 31, 2014 remain open for examination by taxing authorities as of the date of this report.

(5) Investments

The following information represents the fair value of investments and investment return as certified by Fidelity Management Trust Company for 2014 and 2013 and Lincoln Financial Group for 2013, the trustees of the Plan.

Investments at fair value are as follows (investments that represent five percent or more of the Plan's net assets as of December 31, 2014 or 2013 are separately identified):

	<u>2014</u>	<u>2013</u>
Mutual funds:		
Lord Abbett Income	\$ 743,668	581,394
Columbia Dividend Opportunity	460,327	323,480
Invesco Equally-Weighted S&P 500	380,767	286,820
Oppenheimer International Growth	352,581	322,482
Eaton Vance Atlanta Capital SMID	328,104	248,124
MFS International Value	296,836	189,346
Eaton Vance Income Fund of Boston	272,801	213,143
MFS Massachusetts Investors Growth Stock	268,013	176,727
Fidelity Spartan 500 Index Advantage	262,677	167,573
Other	<u>1,839,189</u>	<u>1,366,634</u>
Total mutual funds	5,204,963	3,875,723
Money market fund	<u>1,444</u>	<u>29,907</u>
	<u>\$ 5,206,407</u>	<u>3,905,630</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(5) Investments, Continued

Prior to November 1, 2013, the Plan was funded with a group annuity contract with Lincoln. Contributions were made to the contract and then invested in a wide spectrum of investment choices as directed by each participant. The investment objectives and underlying investments of the pooled separate accounts varied. Plan participants should refer to the Plan enrollment forms and prospectuses of the underlying investments for full descriptions of the investment strategies and redemption provisions of each individual pooled separate account.

During 2014 and 2013, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

Mutual funds	\$	(11,335)	39,636
Pooled separate accounts		<u>-</u>	<u>496,075</u>
	\$	<u>(11,335)</u>	<u>535,711</u>

The Plan recognized interest and dividend income of \$261,069 and \$95,000 during 2014 and 2013, respectively.

(6) Fair Value Measurements

The Plan's investments as of December 31, 2014 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual funds:		
Large cap domestic equity	\$ 1,371,784	1,371,784
Fixed income	1,072,091	1,072,091
Target date	961,405	961,405
International equity	688,650	688,650
Mid cap domestic equity	557,789	557,789
Small cap domestic equity	402,231	402,231
Other	<u>151,013</u>	<u>151,013</u>
Total mutual funds	5,204,963	5,204,963
Money market fund	<u>1,444</u>	<u>1,444</u>
	\$ <u>5,206,407</u>	<u>5,206,407</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(6) Fair Value Measurements, Continued

The Plan's investments as of December 31, 2013 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual funds:		
Large cap domestic equity	\$ 954,600	954,600
Target date	815,117	815,117
Fixed income	813,695	813,695
International equity	549,836	549,836
Mid cap domestic equity	406,537	406,537
Small cap domestic equity	299,000	299,000
Other	<u>36,938</u>	<u>36,938</u>
Total mutual funds	3,875,723	3,875,723
Money market fund	<u>29,907</u>	<u>29,907</u>
	<u>\$ 3,905,630</u>	<u>3,905,630</u>

(7) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their accounts.

(8) Related Party Transactions

There were no employer or employee contributions receivable as of December 31, 2014. As of December 31, 2013, the Plan had employer and employee contributions receivable from the Company of \$59,161.

Certain Plan investments are shares of mutual funds managed by the trustee of the Plan and, therefore, such transactions qualify as party-in-interest transactions.

(9) Risks 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 statement of net assets available for plan benefits.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(10) Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent statement of net assets available for plan benefits, have been evaluated for possible adjustment to the financial statements or disclosure is August 20, 2015, the date the financial statements were available to be issued.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Assets (Held at End of Year)

December 31, 2014

<u>Description</u>	<u>Par value or shares</u>	<u>Cost</u>	<u>Fair value</u>
Mutual funds:			
Lord Abbett Income	258,218	**	\$ 743,668
Columbia Dividend Opportunity	48,558	**	460,327
Invesco Equally-Weighted S&P 500	7,809	**	380,767
Oppenheimer International Growth	10,164	**	352,581
Eaton Vance Atlanta Capital SMID	14,259	**	328,104
MFS International Value	9,548	**	296,836
Eaton Vance Income Fund of Boston	46,553	**	272,801
MFS Massachusetts Investors Growth Stock	11,181	**	268,013
* Fidelity Spartan 500 Index Advantage	3,605	**	262,677
Franklin Small Cap Growth	12,917	**	227,863
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Columbia Mid Cap Index	10,020	**	155,717
* Fidelity Advisor Freedom 2025	11,616	**	150,306
* Fidelity Advisor Freedom 2020	10,704	**	140,757
* Fidelity Advisor Freedom 2035	10,547	**	138,795
Victory Fund for Income	12,950	**	131,568
JPMorgan Small Cap Value	4,253	**	112,448
* Fidelity Advisor Freedom 2050	9,855	**	106,239
* Fidelity Advisor Freedom 2040	7,268	**	102,631
* Fidelity Advisor Freedom 2030	5,841	**	80,485
Victory Established Value	2,219	**	73,968
* Fidelity Spartan Small Cap Index Advantage	3,690	**	61,920
* Fidelity Advisor Total Bond	5,208	**	55,622
* Fidelity Advisor Freedom 2055	4,184	**	48,579
* Fidelity Spartan Global ex U.S. Advantage	3,403	**	39,233
* Fidelity Advisor Freedom Income	1,645	**	17,975
* Fidelity Spartan Real Estate Index Advantage	99	**	1,470
Total mutual funds			5,204,963
Money market fund -			
* Fidelity Prime Fund	1,444	**	1,444
			\$ <u>5,206,407</u>

* Denotes party-in-interest

** Cost is omitted because the investment is participant-directed.

Note: All information has been certified as complete and accurate by the Plan trustee.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Delinquent Participant Contributions

Year ended December 31, 2014

Participant contributions transferred late to plan	Total that constitutes nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
	Contributions not yet corrected	Contributions corrected outside VFCP **	Contributions pending correction in VFCP	
Check here if late participant loan repayments are included ☐	-	\$ 82,747	-	-

** Includes \$103 of delinquent contributions that were corrected outside of the Voluntary Fiduciary Correction Program subsequent to December 31, 2014.

BIOLOGICS, INC. 401(k)
PROFIT SHARING PLAN

Financial Statements and Schedules

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

The Trustees and Participants
Biologics, Inc. 401(k) Profit Sharing Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 5, which was certified by Lincoln Financial Group or Fidelity Management Trust Company, the trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions from November 1, 2013 to December 31, 2014, and that Lincoln Financial Group held the Plan's investment assets and executed investment transactions from January 1, 2013 to October 31, 2013. The plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) and of delinquent participant contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Batchelor, Tilley & Roberts, LLP

August 20, 2015

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Investments, at fair value:		
Mutual funds	\$ 5,204,963	3,875,723
Money market fund	<u>1,444</u>	<u>29,907</u>
Total investments, at fair value	<u>5,206,407</u>	<u>3,905,630</u>
Receivables:		
Employer contributions	-	15,334
Employee contributions	<u>-</u>	<u>43,827</u>
Total receivables	<u>-</u>	<u>59,161</u>
Net assets available for plan benefits	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions to net assets:		
Contributions:		
Employer contributions	\$ 235,160	193,481
Employee contributions	551,985	444,796
Rollover contributions	453,724	149,913
	<u>1,240,869</u>	<u>788,190</u>
Investment return:		
Net (depreciation) appreciation in fair value of investments	(11,335)	535,711
Interest and dividend income	261,069	95,000
	<u>249,734</u>	<u>630,711</u>
Total additions	<u>1,490,603</u>	<u>1,418,901</u>
Deductions from net assets:		
Benefit payments	248,887	240,037
Administrative fees	100	22,051
Total deductions	<u>248,987</u>	<u>262,088</u>
Net increase in net assets available for plan benefits	1,241,616	1,156,813
Net assets available for plan benefits, beginning of year	<u>3,964,791</u>	<u>2,807,978</u>
Net assets available for plan benefits, end of year	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

The following description of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants in the Plan should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan became effective on January 1, 1997 as a 401(k) profit sharing plan. The Plan is sponsored by Biologics, Inc. (the "Company"). The Plan covers all full-time employees of the Company, who are at least age 21 and have one month of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective November 1, 2013, the Plan adopted a Fidelity Volume Submitter Defined Contribution Plan. As of that date, all assets of the Plan were transferred from Lincoln Financial Group to Fidelity Management Trust Company, as trustee.

(b) Contributions

Each year, participants can elect to defer a percentage of their compensation into the Plan, not to exceed the limits of the Internal Revenue Code. The Company has elected to make a nonelective safe harbor employer contribution equal to 3% of compensation for each eligible participant.

The Company can also elect on an annual basis to make a discretionary matching contribution equal to a percentage of the eligible contributions made by each eligible participant during the year. During 2014 and 2013, no discretionary matching contributions were made.

Participants can deposit "rollovers" (distributions from other qualified plans) into the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions and Plan earnings (losses). Allocations are based on participants' compensation 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.

(d) Vesting

Participants are 100% vested in the salary reduction and safe harbor amounts contributed to the Plan. Vesting in the Company's discretionary contribution portion of their accounts is based on their years of continuous service. Vesting for discretionary contributions begins in the second year of service and vests at the rate of 20% per year so that participants are 100% vested in such contributions after six years of service.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(1) Description of Plan, Continued

(e) Investment Options

Upon enrollment in the Plan, a participant may direct employee and employer contributions in a variety of investment options.

(f) Payment of Benefits

Generally, participants become eligible to receive benefits on their normal retirement age (65), death, disability, termination of employment, or reasons of proven financial hardship. Participants may receive 100% of their account balance in substantially equal installments or a lump sum. As of December 31, 2014 and 2013, no amounts had been allocated to the accounts of participants who have elected to withdraw from the Plan, but have not been paid.

(g) Forfeited Accounts

Forfeited balances of terminated participants' nonvested accounts will be used to reduce future Company matching contributions. As of December 31, 2014 and 2013, forfeitures totaling \$1,444 were available to reduce future Company matching contributions.

(h) Participant Loans

Participants are not permitted to borrow from their individual fund account.

(2) Summary of Significant Accounting Policies

(a) 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 net assets available for plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(b) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

(b) Fair Value Measurements, Continued

The three levels of inputs that may be used to measure fair value are described below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: one or more significant inputs or significant value drivers that are unobservable or based on market assumptions

(c) Investment Valuation and Income Recognition

Investments in mutual funds managed by the Plan's trustee are valued on the last business day of the year based on the current market values (quoted prices in active markets) of the funds.

The Plan presents in the statement of changes in net assets available for plan benefits the net appreciation (depreciation) in the market value of its investments which consists of realized gains or losses and the unrealized appreciation (depreciation) on investments held at year-end.

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.

(d) Payment of Benefits

Benefits are recorded as expense when paid.

(3) Administrative and Investment Costs

The Company paid for certain administrative expenses on behalf of the Plan for 2014 and 2013. These amounts are not included in the statements of changes in net assets available for plan benefits. Beginning November 1, 2013 investment management fees are charged to the individual funds in the Plan and are included in the net appreciation (depreciation) in the fair value of investments.

(4) Federal Income Taxes

The Plan's trustee has received an opinion letter dated March 31, 2014, in which the Internal Revenue Service stated that the form of the prototype plan which the Company has adopted is acceptable under the applicable requirements of the Internal Revenue Code for use by employers for the benefit of their employees. Therefore, no provision for income taxes has been included in the financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(4) Federal Income Taxes, Continued

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 position that more likely than not would not be sustained upon examination by relevant taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax years ended December 31, 2011 to December 31, 2014 remain open for examination by taxing authorities as of the date of this report.

(5) Investments

The following information represents the fair value of investments and investment return as certified by Fidelity Management Trust Company for 2014 and 2013 and Lincoln Financial Group for 2013, the trustees of the Plan.

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	<u>2014</u>	<u>2013</u>
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Oppenheimer International Growth	352,581	322,482
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	<u>\$ 5,206,407</u>	<u>3,905,630</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(5) Investments, Continued

Prior to November 1, 2013, the Plan was funded with a group annuity contract with Lincoln. Contributions were made to the contract and then invested in a wide spectrum of investment choices as directed by each participant. The investment objectives and underlying investments of the pooled separate accounts varied. Plan participants should refer to the Plan enrollment forms and prospectuses of the underlying investments for full descriptions of the investment strategies and redemption provisions of each individual pooled separate account.

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Pooled separate accounts		<u>-</u>	<u>496,075</u>
	\$	<u>(11,335)</u>	<u>535,711</u>

The Plan recognized interest and dividend income of \$261,069 and \$95,000 during 2014 and 2013, respectively.

(6) Fair Value Measurements

The Plan's investments as of December 31, 2014 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

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Investments, at fair value:		
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Large cap domestic equity	\$ 1,371,784	1,371,784
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Target date	961,405	961,405
International equity	688,650	688,650
Mid cap domestic equity	557,789	557,789
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Other	<u>151,013</u>	<u>151,013</u>
Total mutual funds	5,204,963	5,204,963
Money market fund	<u>1,444</u>	<u>1,444</u>
	\$ <u>5,206,407</u>	<u>5,206,407</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(6) Fair Value Measurements, Continued

The Plan's investments as of December 31, 2013 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual funds:		
Large cap domestic equity	\$ 954,600	954,600
Target date	815,117	815,117
Fixed income	813,695	813,695
International equity	549,836	549,836
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Total mutual funds	3,875,723	3,875,723
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BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(10) Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent statement of net assets available for plan benefits, have been evaluated for possible adjustment to the financial statements or disclosure is August 20, 2015, the date the financial statements were available to be issued.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Assets (Held at End of Year)

December 31, 2014

<u>Description</u>	<u>Par value or shares</u>	<u>Cost</u>	<u>Fair value</u>
Mutual funds:			
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* Fidelity Spartan Global ex U.S. Advantage	3,403	**	39,233
* Fidelity Advisor Freedom Income	1,645	**	17,975
* Fidelity Spartan Real Estate Index Advantage	99	**	1,470
Total mutual funds			5,204,963
Money market fund -			
* Fidelity Prime Fund	1,444	**	1,444
			\$ <u>5,206,407</u>

* Denotes party-in-interest

** Cost is omitted because the investment is participant-directed.

Note: All information has been certified as complete and accurate by the Plan trustee.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Delinquent Participant Contributions

Year ended December 31, 2014

Participant contributions transferred late to plan	Total that constitutes nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
	Contributions not yet corrected	Contributions corrected outside VFCP **	Contributions pending correction in VFCP	
Check here if late participant loan repayments are included ☐	-	\$ 82,747	-	-

** Includes \$103 of delinquent contributions that were corrected outside of the Voluntary Fiduciary Correction Program subsequent to December 31, 2014.

BIOLOGICS, INC. 401(k)
PROFIT SHARING PLAN

Financial Statements and Schedules

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

The Trustees and Participants
Biologics, Inc. 401(k) Profit Sharing Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 5, which was certified by Lincoln Financial Group or Fidelity Management Trust Company, the trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions from November 1, 2013 to December 31, 2014, and that Lincoln Financial Group held the Plan's investment assets and executed investment transactions from January 1, 2013 to October 31, 2013. The plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) and of delinquent participant contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Batchelor, Tilley & Roberts, LLP

August 20, 2015

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Investments, at fair value:		
Mutual funds	\$ 5,204,963	3,875,723
Money market fund	<u>1,444</u>	<u>29,907</u>
Total investments, at fair value	<u>5,206,407</u>	<u>3,905,630</u>
Receivables:		
Employer contributions	-	15,334
Employee contributions	<u>-</u>	<u>43,827</u>
Total receivables	<u>-</u>	<u>59,161</u>
Net assets available for plan benefits	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions to net assets:		
Contributions:		
Employer contributions	\$ 235,160	193,481
Employee contributions	551,985	444,796
Rollover contributions	453,724	149,913
	<u>1,240,869</u>	<u>788,190</u>
Investment return:		
Net (depreciation) appreciation in fair value of investments	(11,335)	535,711
Interest and dividend income	261,069	95,000
	<u>249,734</u>	<u>630,711</u>
Total additions	<u>1,490,603</u>	<u>1,418,901</u>
Deductions from net assets:		
Benefit payments	248,887	240,037
Administrative fees	100	22,051
Total deductions	<u>248,987</u>	<u>262,088</u>
Net increase in net assets available for plan benefits	1,241,616	1,156,813
Net assets available for plan benefits, beginning of year	<u>3,964,791</u>	<u>2,807,978</u>
Net assets available for plan benefits, end of year	\$ <u>5,206,407</u>	<u>3,964,791</u>

See accompanying notes to financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

The following description of Biologics, Inc. 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants in the Plan should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan became effective on January 1, 1997 as a 401(k) profit sharing plan. The Plan is sponsored by Biologics, Inc. (the "Company"). The Plan covers all full-time employees of the Company, who are at least age 21 and have one month of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective November 1, 2013, the Plan adopted a Fidelity Volume Submitter Defined Contribution Plan. As of that date, all assets of the Plan were transferred from Lincoln Financial Group to Fidelity Management Trust Company, as trustee.

(b) Contributions

Each year, participants can elect to defer a percentage of their compensation into the Plan, not to exceed the limits of the Internal Revenue Code. The Company has elected to make a nonelective safe harbor employer contribution equal to 3% of compensation for each eligible participant.

The Company can also elect on an annual basis to make a discretionary matching contribution equal to a percentage of the eligible contributions made by each eligible participant during the year. During 2014 and 2013, no discretionary matching contributions were made.

Participants can deposit "rollovers" (distributions from other qualified plans) into the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions and Plan earnings (losses). Allocations are based on participants' compensation 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.

(d) Vesting

Participants are 100% vested in the salary reduction and safe harbor amounts contributed to the Plan. Vesting in the Company's discretionary contribution portion of their accounts is based on their years of continuous service. Vesting for discretionary contributions begins in the second year of service and vests at the rate of 20% per year so that participants are 100% vested in such contributions after six years of service.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(1) Description of Plan, Continued

(e) Investment Options

Upon enrollment in the Plan, a participant may direct employee and employer contributions in a variety of investment options.

(f) Payment of Benefits

Generally, participants become eligible to receive benefits on their normal retirement age (65), death, disability, termination of employment, or reasons of proven financial hardship. Participants may receive 100% of their account balance in substantially equal installments or a lump sum. As of December 31, 2014 and 2013, no amounts had been allocated to the accounts of participants who have elected to withdraw from the Plan, but have not been paid.

(g) Forfeited Accounts

Forfeited balances of terminated participants' nonvested accounts will be used to reduce future Company matching contributions. As of December 31, 2014 and 2013, forfeitures totaling \$1,444 were available to reduce future Company matching contributions.

(h) Participant Loans

Participants are not permitted to borrow from their individual fund account.

(2) Summary of Significant Accounting Policies

(a) 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 net assets available for plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(b) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

(b) Fair Value Measurements, Continued

The three levels of inputs that may be used to measure fair value are described below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: one or more significant inputs or significant value drivers that are unobservable or based on market assumptions

(c) Investment Valuation and Income Recognition

Investments in mutual funds managed by the Plan's trustee are valued on the last business day of the year based on the current market values (quoted prices in active markets) of the funds.

The Plan presents in the statement of changes in net assets available for plan benefits the net appreciation (depreciation) in the market value of its investments which consists of realized gains or losses and the unrealized appreciation (depreciation) on investments held at year-end.

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.

(d) Payment of Benefits

Benefits are recorded as expense when paid.

(3) Administrative and Investment Costs

The Company paid for certain administrative expenses on behalf of the Plan for 2014 and 2013. These amounts are not included in the statements of changes in net assets available for plan benefits. Beginning November 1, 2013 investment management fees are charged to the individual funds in the Plan and are included in the net appreciation (depreciation) in the fair value of investments.

(4) Federal Income Taxes

The Plan's trustee has received an opinion letter dated March 31, 2014, in which the Internal Revenue Service stated that the form of the prototype plan which the Company has adopted is acceptable under the applicable requirements of the Internal Revenue Code for use by employers for the benefit of their employees. Therefore, no provision for income taxes has been included in the financial statements.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(4) Federal Income Taxes, Continued

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 position that more likely than not would not be sustained upon examination by relevant taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax years ended December 31, 2011 to December 31, 2014 remain open for examination by taxing authorities as of the date of this report.

(5) Investments

The following information represents the fair value of investments and investment return as certified by Fidelity Management Trust Company for 2014 and 2013 and Lincoln Financial Group for 2013, the trustees of the Plan.

Investments at fair value are as follows (investments that represent five percent or more of the Plan's net assets as of December 31, 2014 or 2013 are separately identified):

	<u>2014</u>	<u>2013</u>
Mutual funds:		
Lord Abbett Income	\$ 743,668	581,394
Columbia Dividend Opportunity	460,327	323,480
Invesco Equally-Weighted S&P 500	380,767	286,820
Oppenheimer International Growth	352,581	322,482
Eaton Vance Atlanta Capital SMID	328,104	248,124
MFS International Value	296,836	189,346
Eaton Vance Income Fund of Boston	272,801	213,143
MFS Massachusetts Investors Growth Stock	268,013	176,727
Fidelity Spartan 500 Index Advantage	262,677	167,573
Other	<u>1,839,189</u>	<u>1,366,634</u>
Total mutual funds	5,204,963	3,875,723
Money market fund	<u>1,444</u>	<u>29,907</u>
	<u>\$ 5,206,407</u>	<u>3,905,630</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(5) Investments, Continued

Prior to November 1, 2013, the Plan was funded with a group annuity contract with Lincoln. Contributions were made to the contract and then invested in a wide spectrum of investment choices as directed by each participant. The investment objectives and underlying investments of the pooled separate accounts varied. Plan participants should refer to the Plan enrollment forms and prospectuses of the underlying investments for full descriptions of the investment strategies and redemption provisions of each individual pooled separate account.

During 2014 and 2013, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

Mutual funds	\$	(11,335)	39,636
Pooled separate accounts		<u>-</u>	<u>496,075</u>
	\$	<u>(11,335)</u>	<u>535,711</u>

The Plan recognized interest and dividend income of \$261,069 and \$95,000 during 2014 and 2013, respectively.

(6) Fair Value Measurements

The Plan's investments as of December 31, 2014 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual funds:		
Large cap domestic equity	\$ 1,371,784	1,371,784
Fixed income	1,072,091	1,072,091
Target date	961,405	961,405
International equity	688,650	688,650
Mid cap domestic equity	557,789	557,789
Small cap domestic equity	402,231	402,231
Other	<u>151,013</u>	<u>151,013</u>
Total mutual funds	5,204,963	5,204,963
Money market fund	<u>1,444</u>	<u>1,444</u>
	\$ <u>5,206,407</u>	<u>5,206,407</u>

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(6) Fair Value Measurements, Continued

The Plan's investments as of December 31, 2013 are reported at fair value in the accompanying statements of net assets available for plan benefits as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual funds:		
Large cap domestic equity	\$ 954,600	954,600
Target date	815,117	815,117
Fixed income	813,695	813,695
International equity	549,836	549,836
Mid cap domestic equity	406,537	406,537
Small cap domestic equity	299,000	299,000
Other	<u>36,938</u>	<u>36,938</u>
Total mutual funds	3,875,723	3,875,723
Money market fund	<u>29,907</u>	<u>29,907</u>
	<u>\$ 3,905,630</u>	<u>3,905,630</u>

(7) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their accounts.

(8) Related Party Transactions

There were no employer or employee contributions receivable as of December 31, 2014. As of December 31, 2013, the Plan had employer and employee contributions receivable from the Company of \$59,161.

Certain Plan investments are shares of mutual funds managed by the trustee of the Plan and, therefore, such transactions qualify as party-in-interest transactions.

(9) Risks 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 statement of net assets available for plan benefits.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements, Continued

December 31, 2014 and 2013

(10) Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent statement of net assets available for plan benefits, have been evaluated for possible adjustment to the financial statements or disclosure is August 20, 2015, the date the financial statements were available to be issued.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Assets (Held at End of Year)

December 31, 2014

<u>Description</u>	<u>Par value or shares</u>	<u>Cost</u>	<u>Fair value</u>
Mutual funds:			
Lord Abbett Income	258,218	**	\$ 743,668
Columbia Dividend Opportunity	48,558	**	460,327
Invesco Equally-Weighted S&P 500	7,809	**	380,767
Oppenheimer International Growth	10,164	**	352,581
Eaton Vance Atlanta Capital SMID	14,259	**	328,104
MFS International Value	9,548	**	296,836
Eaton Vance Income Fund of Boston	46,553	**	272,801
MFS Massachusetts Investors Growth Stock	11,181	**	268,013
* Fidelity Spartan 500 Index Advantage	3,605	**	262,677
Franklin Small Cap Growth	12,917	**	227,863
* Fidelity Advisor Freedom 2045	17,812	**	193,613
Columbia Mid Cap Index	10,020	**	155,717
* Fidelity Advisor Freedom 2025	11,616	**	150,306
* Fidelity Advisor Freedom 2020	10,704	**	140,757
* Fidelity Advisor Freedom 2035	10,547	**	138,795
Victory Fund for Income	12,950	**	131,568
JPMorgan Small Cap Value	4,253	**	112,448
* Fidelity Advisor Freedom 2050	9,855	**	106,239
* Fidelity Advisor Freedom 2040	7,268	**	102,631
* Fidelity Advisor Freedom 2030	5,841	**	80,485
Victory Established Value	2,219	**	73,968
* Fidelity Spartan Small Cap Index Advantage	3,690	**	61,920
* Fidelity Advisor Total Bond	5,208	**	55,622
* Fidelity Advisor Freedom 2055	4,184	**	48,579
* Fidelity Spartan Global ex U.S. Advantage	3,403	**	39,233
* Fidelity Advisor Freedom Income	1,645	**	17,975
* Fidelity Spartan Real Estate Index Advantage	99	**	1,470
Total mutual funds			5,204,963
Money market fund -			
* Fidelity Prime Fund	1,444	**	1,444
			\$ <u>5,206,407</u>

* Denotes party-in-interest

** Cost is omitted because the investment is participant-directed.

Note: All information has been certified as complete and accurate by the Plan trustee.

BIOLOGICS, INC. 401(k) PROFIT SHARING PLAN

Schedule of Delinquent Participant Contributions

Year ended December 31, 2014

Participant contributions transferred late to plan	Total that constitutes nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
	Contributions not yet corrected	Contributions corrected outside VFCP **	Contributions pending correction in VFCP	
Check here if late participant loan repayments are included ☐	-	\$ 82,747	-	-

** Includes \$103 of delinquent contributions that were corrected outside of the Voluntary Fiduciary Correction Program subsequent to December 31, 2014.