

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</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.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>APEEL SCIENCES 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2016</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2016</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/2016</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>APEEL TECHNOLOGY, INC.</u> <u>71 S. LOS CARNEROS ROAD</u> <u>GOLETA, CA 93117</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>45-5551038</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>877-926-5184</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>115110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>45-5551038</u>	2c Plan Sponsor's telephone number <u>877-926-5184</u>	2d Business code (see instructions) <u>115110</u>	
2b Employer Identification Number (EIN) <u>45-5551038</u>					
2c Plan Sponsor's telephone number <u>877-926-5184</u>					
2d Business code (see instructions) <u>115110</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.	10/14/2022	TONYA DOUGLAS
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☐ Same as Plan Sponsor FIDELITY MANAGEMENT TRUST COMPANY TONYA DOUGLAS ONE DESTINY WAY WESTLAKE, TX 76262	3b Administrator's EIN 04-3532603 3c Administrator's telephone number 859-386-4199
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 373
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 346 6a(2) 370 6b 0 6c 0 6d 370 6e 0 6f 370 6g 319 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 2F 2G 2J 2K 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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>1</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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan APEEL SCIENCES 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 APEEL TECHNOLOGY, INC.	D Employer Identification Number (EIN) 45-5551038

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A) (JOHN HANCOCK USA)

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	125750	0	01/01/2021	12/13/2021

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	7414

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
LINDEN, NESTLE, SOLED & ASSOC. 2535 TOWNGATE ROAD SUITE 110
WESTLAKE VILLAGE, CA 91361

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	7414	TPA FEES AND COMPENSATION	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	
6	Contracts With Allocated Funds:		
a	State the basis of premium rates ▶		
b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶		
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐		
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY		
b	Balance at the end of the previous year	7b	0
c	Additions: (1) Contributions deposited during the year	7c(1)	0
	(2) Dividends and credits.....	7c(2)	0
	(3) Interest credited during the year.....	7c(3)	0
	(4) Transferred from separate account.....	7c(4)	0
	(5) Other (specify below)	7c(5)	0
	(6) Total additions	7c(6)	0
d	Total of balance and additions (add lines 7b and 7c(6))	7d	0
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0
	(2) Administration charge made by carrier.....	7e(2)	0
	(3) Transferred to separate account.....	7e(3)	0
	(4) Other (specify below)	7e(4)	0
	(5) Total deductions	7e(5)	0
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	0
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
		2021
		This Form is Open to Public Inspection.
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan APEEL SCIENCES 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 APEEL TECHNOLOGY, INC.	D Employer Identification Number (EIN) 45-5551038	

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 WORKPLACE SERVICES LLC 04-3532603
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

FIDELITY WORKPLACE SERVICES LLC

04-3532603

(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?
14 24 28 60	PLAN ADMINISTRATOR	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

(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 WORKPLACE SERVICES LLC	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.	
C&S INST REALTY SHS - DST ASSET MA 39-0281260	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>APEEL SCIENCES 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>APEEL TECHNOLOGY, INC.</u>	D Employer Identification Number (EIN) <u>45-5551038</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>AMERICAN CENTURY INFL ADJ BOND</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLUE CHIP GROWTH FUND</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DFA INTERMEDIATE GOV FIXED INC</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DFA INTL SMALL CAP VALUE</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DFA U.S. SMALL CAP FUND</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INVESCO SMALL CAP GROWTH</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INVESTMENT COMPANY OF AMERICA</u>				
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>				
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		

a Name of MTIA, CCT, PSA, or 103-12 IE: JH MANAGED VOLATILITY AGG

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MANAGED VOLATILITY BAL

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MANAGED VOLATILITY CON

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MANAGED VOLATILITY GROWTH

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MANAGED VOLATILITY MOD

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2025 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2030 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2035 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2040 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2045 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2050 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2055 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX 2060 PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH MULTI-INDEX INCOME PRESERV

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JOHN HANCOCK BOND FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JOHN HANCOCK STABLE VAL

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: NEW PERSPECTIVE FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TIAA-CREF LIFECYCLE INDEX 2035

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TIAA-CREF LIFECYCLE INDEX 2040

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TIAA-CREF LIFECYCLE INDEX 2045

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [TIAA-CREF LIFECYCLE INDEX 2050](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [TIAA-CREF LIFECYCLE INDEX 2060](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [VANGUARD MID-CAP GROWTH ETF](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [VANGUARD SMALL CAP VALUE INDEX](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [VANGUARD TOT WLD STK INDEX ETF](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [VANGUARD VALUE INDEX FUND](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [WISDOMTREE MC EARNINGS ETF](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [WISDOMTREE MIDCAP DIVIDEND ETF](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan APEEL SCIENCES 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 APEEL TECHNOLOGY, INC.	D Employer Identification Number (EIN) 45-5551038	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	60047
(2) Participant contributions.....	1b(2)	0	97841
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	17920	344572
(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)	86128	85631
(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)	8561073	14647643
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	8665121	15235734

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	8665121	15235734
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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)	1825269	
(B) Participants	2a(1)(B)	2902218	
(C) Others (including rollovers).....	2a(1)(C)	1007468	
(2) Noncash contributions.....	2a(2)	0	5734955
(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)	3	
(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)	4358	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4361
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	283267
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	283267	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		283267
(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)		

		(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)		1169098
(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)		76308
c Other income.....	2c		-58135
d Total income. Add all income amounts in column (b) and enter total.....	2d		7209854
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	562761	
(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)		562761
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)	76480	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		76480
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		639241
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		6570613
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: SENSIBA SAN FILIPPO

(2) EIN: 94-2370906

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.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
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		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n	X		
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan APEEL SCIENCES 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 APEEL TECHNOLOGY, INC.	D Employer Identification Number (EIN) 45-5551038

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): 01-0233346 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)? If the plan is a defined benefit plan, go to line 8.	☐ Yes ☐ No ☐ N/A
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.	
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a
b Enter the amount contributed by the employer to the plan for this plan year	6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c
If you completed line 6c, skip lines 8 and 9.	
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes ☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes ☐ No ☐ N/A

Part III	Amendments
----------	------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

APEEL SCIENCES 401(K) PLAN

**Financial Statements
December 31, 2021 and 2020
Together with
Independent Auditors' Report**

APEEL SCIENCES 401(K) PLAN

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December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To Plan Administrator and Management of the
Apeel Sciences 401(k) Plan

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

We have performed an audit of the financial statements of Apeel Sciences 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C)" audit). The financial statements comprise the statement of net assets available for Plan benefits as of December 31, 2021, and the related statement of changes in net assets available for Plan benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the financial statements.

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with GAAS, we: (a) exercise professional judgment and maintain professional skepticism throughout the audit, (b) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements, (c) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed, (d) evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, and (e) conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matters - Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Other Matters - Supplemental Schedule Required by ERISA (continued)

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matters - Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated September 29, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in dark ink that reads "Sensiba Sanfilippo LLP". The signature is written in a cursive, flowing style.

Pleasanton, California
October 13, 2022

APEEL SCIENCES 401(K) PLAN
Statement of Net Assets Available for Plan Benefits

	December 31,	
	2021	2020
Investments:		
Mutual funds, at fair value	\$ 14,647,643	\$ -
Money market fund, at fair value	344,572	-
Pooled separate accounts, at fair value	-	8,561,073
Cash	-	17,920
Total investments	14,992,215	8,578,993
Receivables:		
Participant contribution receivable	97,841	-
Employer contribution receivable	60,047	-
Notes receivable from participants	85,631	86,128
Total receivables	243,519	86,128
Net assets available for benefits	\$ 15,235,734	\$ 8,665,121

The accompanying notes are an integral part of these financial statements

APEEL SCIENCES 401(K) PLAN
Statement of Changes in Net Assets Available for Plan Benefits
Year Ended December 31, 2021

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments	\$ 1,187,271
Dividends and interest	<u>283,270</u>

Total investment income	1,470,541
-------------------------	-----------

Contributions:

Participant	2,902,218
Employer	1,825,269
Rollovers	<u>1,007,468</u>

Total contributions	<u>5,734,955</u>
---------------------	------------------

Other income:

Interest income on notes receivable from participants	<u>4,358</u>
---	--------------

Total additions	<u>7,209,854</u>
-----------------	------------------

Deductions from net assets attributed to:

Benefits paid to participants	562,761
Administration and other costs	<u>76,480</u>

Total deductions	<u>639,241</u>
------------------	----------------

Net increase in net assets	6,570,613
----------------------------	-----------

Net assets available for benefits:

Beginning of year	<u>8,665,121</u>
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End of year	\$ <u><u>15,235,734</u></u>
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The accompanying notes are an integral part of these financial statements

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan:

The following description of the Apeel Sciences 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General - The Plan is a defined contribution plan established on January 1, 2016 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan provides benefits for all eligible employees of the Company.

Apeel Technology, Inc. (the “Company”) is the Plan administrator and retains the services of a third party to assist in the administration of the Plan. Through November 30, 2021, the Plan’s custodian was John Hancock Life Insurance Company (U.S.A.) (“John Hancock”) and third party administrator was Liden, Nestle, Soled & Associates, Inc. (“LNS”). Effective December 1, 2021 the Plan’s third party administrator and trustee was Fidelity Management Trust Company (“Fidelity”).

Eligibility - Except for excluded employees, all employees of the Company who have reached twenty-one years of age are eligible to participate in the Plan. Effective December 1, 2021 new employees must complete one month of service in addition to meeting the age requirements. Employees may enter the Plan immediately following the attainment of eligibility. An employee may elect not to participate in the Plan. Employees covered under a collective bargaining agreement, non-resident aliens, leased employees, employees regularly scheduled to work less than 80 hours per month, and interns are not eligible to participate in the Plan.

Participant contributions - Each year participants may elect to contribute up to 100% of their eligible compensation to the Plan, up to the maximum allowed under section 401(k) of the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make “catch-up” contributions, subject to statutory limits. Participants may also contribute amounts representing distributions from other qualified retirement plans. Participants direct the allocation of their contributions to various investment options offered by the Plan.

Employer contributions - The Company may, at their sole discretion, make employer matching contributions at the option of the Company’s Board of Directors. Participants must be eligible to contribute to the Plan to receive employer contributions, if any. The Company made employer contributions of approximately \$1,825,000 for the 2021 Plan year, which includes approximately \$105,000 of duplicate contributions, which are expected to be corrected in 2022.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan (continued):

Profit sharing contributions - The Company may, at their sole discretion, make profit sharing contributions at the option of the Company's Board of Directors. Participants must be eligible to contribute to the Plan to be eligible to receive profit sharing contributions, if any. The Company made no profit sharing contributions in the 2021 Plan year.

Participant accounts - Each participant's account is credited with the participant's contribution and Company contributions and allocations of Plan earnings. Allocations are based on participant 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.

Investment options - The Plan provides for investments to be directed by participants into a number of investment options held by the custodian. Earnings of each investment fund are allocated to participants' accounts in proportion to each participant's share of that fund. Participants may change their investment options at their own discretion.

Vesting - Participants are immediately vested in their contributions, including rollovers of funds from other qualified retirement plans and earnings thereon. Employer matching and profit sharing contributions are subject to four year vesting provisions. Exceptions to this vesting schedule are provided for death or disability of participants.

Notes receivable from participants - Participants may borrow from their vested account balance a minimum of \$1,000. The maximum amount is 50% of their vested account balance, up to \$50,000. Loan terms range from 1-5 years, but may not exceed 5 years, except for loans used for a purchase of a primary residence, which may be repaid over a longer period but not to exceed 10 years. The loans are secured by the balance in the participant's account and must bear an interest rate that is commensurate with prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions. Participants may only have up to two outstanding loans at a time.

Payment of benefits - The Plan provides for the payment of benefits to the participant (or, if applicable, the beneficiary) at retirement, disability, death, financial hardship (as defined in the Plan), or termination of employment. In service distributions of a participant's vested account balance are permitted providing the participant has attained age 59 1/2. Normal retirement age as defined by the Plan is the later of age 65 or upon completion of 5 years of participation in the Plan. Upon termination, the participants or beneficiaries may elect to leave their account balance in the Plan or receive their total benefits in a lump sum amount equal to the value of the participant's vested interest in their account. Unless otherwise instructed by the participant, participants with vested account balances of \$5,000 or less upon separation will receive a lump sum cash payout. Effective December 1, 2021 participants with vested account balances of \$1,000 or less upon separation will receive a lump sum cash payout.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan (continued):

Forfeitures - Forfeitures are retained in the Plan and may be used to pay Plan expenses, restore any forfeited amounts, and reduce or reallocate Company contributions. As of December 31, 2021, the forfeitures used and remaining in the Plan were immaterial.

Administrative expense - Substantially all administrative expense of the Plan are paid by the Plan. Separate fees for loan processing and distributions and certain investments as specified in the service agreement, are charged to individual participant's accounts.

Note 2 - Significant accounting policies:

Basis of accounting - The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted ("GAAP") in the United States of America. Contributions from participants are recorded when withheld from the participant. Benefit payments to participants are recorded when paid.

Investment valuation and income recognition - As described by GAAP, the Plan's investments in all of the funds are presented at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The money market fund is valued at cost plus accrued interest, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fair value measurements - The Plan performs fair value measurements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. Refer to Note 3 for the fair value measurement disclosures associated with the Plan's investments.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 2 - Significant accounting policies (continued):

Net appreciation in fair value of investments - The earnings, expenses, realized gains and losses, and unrealized appreciation (depreciation) in registered investment companies and other investments are recorded in the accompanying financial statements as net appreciation in fair value of investments.

Investment management fees and operating expenses - Investment management fees and operating expenses charged to the Plan for investments in the pooled separate accounts are deducted from income earned on a daily basis and are reflected as a component of net appreciation in fair value of investments.

Subsequent events - The Plan has evaluated subsequent events through the date that the financial statements were available to be issued which is the date of the independent auditors' report.

Note 3 - Fair value:

The Plan performs fair value measurement in accordance with ASC 820. ASC 820 defines fair value as the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy is as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the entity has the ability to access;
- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 3 - Fair value (continued):

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

Investment measured at fair market value on a recurring basis at December 31, 2021 all have been determined to be Level 1 by the Plan administrator.

Pooled separate accounts consist of investments that were measured at net asset value. In accordance with ASC Subtopic 820-10, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. As of December 31, 2020, the Plan's investments consisted only of pooled separate accounts.

Note 4 - Investments:

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to this information certified by John Hancock as custodian of the Plan, and Fidelity as trustee of the Plan, except for comparing such information to the related information included in the financial statements and supplemental schedule.

The following information, included in the financial statements and supplemental schedule was provided by and certified by the Plan's custodian and trustee as complete and accurate:

- Investments as shown in the Statement of Net Assets Available for Plan Benefits as of December 31, 2021 and 2020.
- Notes receivable from participants as shown in the Statement of Net Assets Available for Plan Benefits as of December 31, 2021 and 2020.
- Investment income and other income, as shown in the Statement of Changes in Net Assets Available for Plan Benefits for the year presented.
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2021.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 5 - Party-in-interest transactions:

At December 31, 2021, the Plan held for investment approximately \$12,538,000 in funds managed by Fidelity. Fidelity serves as the Plan's trustee and third party administrator. Through November 30, 2021 John Hancock served as the Plan's investment broker and custodian, and had custodial responsibility for investments held in John Hancock accounts. At December 31, 2020 the Plan held for investment approximately \$5,850,000 in funds managed by John Hancock.

Note 6 - Plan termination:

Although it has not expressed any intent to do so, the Plan sponsor 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 the Plan is terminated, all non-vested account balances would become 100% vested.

Note 7 - Income tax status:

The prototype plan obtained its latest opinion letter on June 30, 2020, in which the Internal Revenue Service stated that the prototype plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Subsequent to receiving this opinion letter, the prototype plan was amended. The Plan administrator believes that the amended prototype plan, as adopted by the Company, is operating in compliance with the requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 8 - Risks and uncertainties:

The Plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for Plan benefits and participant account balances.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 8 - Risks and uncertainties (continued):

Impact of COVID-19 - In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease (“COVID-19”) as a pandemic. The COVID-19 outbreak in the United States did cause business disruption to the Plan sponsor and throughout its customer base and supply chain through mandated and voluntary closings of many businesses. While the disruption was temporary, there are considerable uncertainties surrounding the duration and extent of the long-term effects of these business disruptions. Therefore, while the Plan sponsor expects this matter to have a financial impact on its operating results, the financial impact to the Plan would be a possible significant depreciation of investments, due to market volatility and reduced or eliminated matching contributions from the Plan sponsor, however given the fluid nature of the outcome of the pandemic, the ultimate impact and duration cannot be reasonably estimated at this time.

APEEL SCIENCES 401(K) PLAN
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2021
EIN 45-5551038
PLAN NUMBER 001

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
	Mutual funds:		
*	Fidelity Freedom Index 2060 Fund Institutional Premium Class	Mutual Funds	\$ 2,355,502
*	Fidelity Freedom Index 2050 Fund Institutional Premium Class	Mutual Funds	2,320,619
*	Fidelity Freedom Index 2055 Fund Institutional Premium Class	Mutual Funds	2,107,845
*	Fidelity Freedom Index 2045 Fund Institutional Premium Class	Mutual Funds	1,031,060
*	Fidelity Freedom Index 2035 Fund Institutional Premium Class	Mutual Funds	870,174
*	Fidelity Freedom Index 2040 Fund Institutional Premium Class	Mutual Funds	844,368
*	Fidelity Freedom Index 2030 Fund Institutional Premium Class	Mutual Funds	816,430
*	Fidelity Large Cap Growth Index Fund	Mutual Funds	729,830
	Columbia Dividend Income Fund Institutional 3 Class	Mutual Funds	700,219
*	Fidelity International Index Fund	Mutual Funds	591,836
	BlackRock Mid-Cap Growth Equity Portfolio Class K	Mutual Funds	447,390
*	Fidelity 500 Index Fund	Mutual Funds	255,109
	American Century Small Cap Value Fund R6 Class	Mutual Funds	229,712
	JPMorgan International Equity Fund Class R6	Mutual Funds	198,582
*	Fidelity Small Cap Index Fund	Mutual Funds	171,555
*	Fidelity Freedom Index 2065 Fund Institutional Premium Class	Mutual Funds	160,315
	Lord Abbett Developing Growth Fund Class R6	Mutual Funds	153,646
	MFS Mid Cap Value Fund Class R6	Mutual Funds	117,574
*	Fidelity Mid Cap Index Fund	Mutual Funds	114,928
*	Fidelity Freedom Index 2025 Fund Institutional Premium Class	Mutual Funds	114,109
	DFA Investment Grade Portfolio Institutional Class Shares	Mutual Funds	103,712
	DFA International Vector Equity Portfolio Institutional Class	Mutual Funds	97,043
	American Funds Inflation Linked Bond Fund Class R-6	Mutual Funds	49,467
*	Fidelity Freedom Index Income Fund Institutional Premium Class	Mutual Funds	47,833
	PGIM High Yield Fund- Class R6	Mutual Funds	7,222
*	Fidelity Freedom Index 2020 Fund Institutional Premium Class	Mutual Funds	6,041
	Cohen & Steers Institutional Realty Shares	Mutual Funds	5,522
			14,647,643
	Money market fund:		
	Gabelli U.S. Treasury Money Market Fund Class AAA	Money market fund	344,572
	Total investments		\$ 14,992,215
		4.25% - 6.5%, maturing through	
*	Notes receivable from participants	October 2030	\$ 85,631

* A party-in-interest as defined by ERISA

Column (d), cost, has been omitted as all investments are participant directed

APEEL SCIENCES 401(K) PLAN

**Financial Statements
December 31, 2021 and 2020
Together with
Independent Auditors' Report**

APEEL SCIENCES 401(K) PLAN

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December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To Plan Administrator and Management of the
Apeel Sciences 401(k) Plan

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

We have performed an audit of the financial statements of Apeel Sciences 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C)" audit). The financial statements comprise the statement of net assets available for Plan benefits as of December 31, 2021, and the related statement of changes in net assets available for Plan benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with GAAS, we: (a) exercise professional judgment and maintain professional skepticism throughout the audit, (b) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements, (c) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed, (d) evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, and (e) conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matters - Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Other Matters - Supplemental Schedule Required by ERISA (continued)

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matters - Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated September 29, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in black ink that reads "Sensiba Sanfilippo LLP". The signature is written in a cursive, flowing style.

Pleasanton, California
October 13, 2022

APEEL SCIENCES 401(K) PLAN
Statement of Net Assets Available for Plan Benefits

	December 31,	
	2021	2020
Investments:		
Mutual funds, at fair value	\$ 14,647,643	\$ -
Money market fund, at fair value	344,572	-
Pooled separate accounts, at fair value	-	8,561,073
Cash	-	17,920
Total investments	14,992,215	8,578,993
Receivables:		
Participant contribution receivable	97,841	-
Employer contribution receivable	60,047	-
Notes receivable from participants	85,631	86,128
Total receivables	243,519	86,128
Net assets available for benefits	\$ 15,235,734	\$ 8,665,121

The accompanying notes are an integral part of these financial statements

APEEL SCIENCES 401(K) PLAN
Statement of Changes in Net Assets Available for Plan Benefits
Year Ended December 31, 2021

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments	\$ 1,187,271
Dividends and interest	<u>283,270</u>

Total investment income	1,470,541
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Contributions:

Participant	2,902,218
Employer	1,825,269
Rollovers	<u>1,007,468</u>

Total contributions	<u>5,734,955</u>
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Other income:

Interest income on notes receivable from participants	<u>4,358</u>
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Total additions	<u>7,209,854</u>
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Deductions from net assets attributed to:

Benefits paid to participants	562,761
Administration and other costs	<u>76,480</u>

Total deductions	<u>639,241</u>
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Net increase in net assets	6,570,613
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Net assets available for benefits:

Beginning of year	<u>8,665,121</u>
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End of year	\$ <u><u>15,235,734</u></u>
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The accompanying notes are an integral part of these financial statements

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan:

The following description of the Apeel Sciences 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General - The Plan is a defined contribution plan established on January 1, 2016 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan provides benefits for all eligible employees of the Company.

Apeel Technology, Inc. (the “Company”) is the Plan administrator and retains the services of a third party to assist in the administration of the Plan. Through November 30, 2021, the Plan’s custodian was John Hancock Life Insurance Company (U.S.A.) (“John Hancock”) and third party administrator was Liden, Nestle, Soled & Associates, Inc. (“LNS”). Effective December 1, 2021 the Plan’s third party administrator and trustee was Fidelity Management Trust Company (“Fidelity”).

Eligibility - Except for excluded employees, all employees of the Company who have reached twenty-one years of age are eligible to participate in the Plan. Effective December 1, 2021 new employees must complete one month of service in addition to meeting the age requirements. Employees may enter the Plan immediately following the attainment of eligibility. An employee may elect not to participate in the Plan. Employees covered under a collective bargaining agreement, non-resident aliens, leased employees, employees regularly scheduled to work less than 80 hours per month, and interns are not eligible to participate in the Plan.

Participant contributions - Each year participants may elect to contribute up to 100% of their eligible compensation to the Plan, up to the maximum allowed under section 401(k) of the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make “catch-up” contributions, subject to statutory limits. Participants may also contribute amounts representing distributions from other qualified retirement plans. Participants direct the allocation of their contributions to various investment options offered by the Plan.

Employer contributions - The Company may, at their sole discretion, make employer matching contributions at the option of the Company’s Board of Directors. Participants must be eligible to contribute to the Plan to receive employer contributions, if any. The Company made employer contributions of approximately \$1,825,000 for the 2021 Plan year, which includes approximately \$105,000 of duplicate contributions, which are expected to be corrected in 2022.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan (continued):

Profit sharing contributions - The Company may, at their sole discretion, make profit sharing contributions at the option of the Company's Board of Directors. Participants must be eligible to contribute to the Plan to be eligible to receive profit sharing contributions, if any. The Company made no profit sharing contributions in the 2021 Plan year.

Participant accounts - Each participant's account is credited with the participant's contribution and Company contributions and allocations of Plan earnings. Allocations are based on participant 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.

Investment options - The Plan provides for investments to be directed by participants into a number of investment options held by the custodian. Earnings of each investment fund are allocated to participants' accounts in proportion to each participant's share of that fund. Participants may change their investment options at their own discretion.

Vesting - Participants are immediately vested in their contributions, including rollovers of funds from other qualified retirement plans and earnings thereon. Employer matching and profit sharing contributions are subject to four year vesting provisions. Exceptions to this vesting schedule are provided for death or disability of participants.

Notes receivable from participants - Participants may borrow from their vested account balance a minimum of \$1,000. The maximum amount is 50% of their vested account balance, up to \$50,000. Loan terms range from 1-5 years, but may not exceed 5 years, except for loans used for a purchase of a primary residence, which may be repaid over a longer period but not to exceed 10 years. The loans are secured by the balance in the participant's account and must bear an interest rate that is commensurate with prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions. Participants may only have up to two outstanding loans at a time.

Payment of benefits - The Plan provides for the payment of benefits to the participant (or, if applicable, the beneficiary) at retirement, disability, death, financial hardship (as defined in the Plan), or termination of employment. In service distributions of a participant's vested account balance are permitted providing the participant has attained age 59 1/2. Normal retirement age as defined by the Plan is the later of age 65 or upon completion of 5 years of participation in the Plan. Upon termination, the participants or beneficiaries may elect to leave their account balance in the Plan or receive their total benefits in a lump sum amount equal to the value of the participant's vested interest in their account. Unless otherwise instructed by the participant, participants with vested account balances of \$5,000 or less upon separation will receive a lump sum cash payout. Effective December 1, 2021 participants with vested account balances of \$1,000 or less upon separation will receive a lump sum cash payout.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 1 - Description of Plan (continued):

Forfeitures - Forfeitures are retained in the Plan and may be used to pay Plan expenses, restore any forfeited amounts, and reduce or reallocate Company contributions. As of December 31, 2021, the forfeitures used and remaining in the Plan were immaterial.

Administrative expense - Substantially all administrative expense of the Plan are paid by the Plan. Separate fees for loan processing and distributions and certain investments as specified in the service agreement, are charged to individual participant's accounts.

Note 2 - Significant accounting policies:

Basis of accounting - The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted ("GAAP") in the United States of America. Contributions from participants are recorded when withheld from the participant. Benefit payments to participants are recorded when paid.

Investment valuation and income recognition - As described by GAAP, the Plan's investments in all of the funds are presented at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The money market fund is valued at cost plus accrued interest, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fair value measurements - The Plan performs fair value measurements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. Refer to Note 3 for the fair value measurement disclosures associated with the Plan's investments.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 2 - Significant accounting policies (continued):

Net appreciation in fair value of investments - The earnings, expenses, realized gains and losses, and unrealized appreciation (depreciation) in registered investment companies and other investments are recorded in the accompanying financial statements as net appreciation in fair value of investments.

Investment management fees and operating expenses - Investment management fees and operating expenses charged to the Plan for investments in the pooled separate accounts are deducted from income earned on a daily basis and are reflected as a component of net appreciation in fair value of investments.

Subsequent events - The Plan has evaluated subsequent events through the date that the financial statements were available to be issued which is the date of the independent auditors' report.

Note 3 - Fair value:

The Plan performs fair value measurement in accordance with ASC 820. ASC 820 defines fair value as the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy is as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the entity has the ability to access;
- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 3 - Fair value (continued):

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

Investment measured at fair market value on a recurring basis at December 31, 2021 all have been determined to be Level 1 by the Plan administrator.

Pooled separate accounts consist of investments that were measured at net asset value. In accordance with ASC Subtopic 820-10, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. As of December 31, 2020, the Plan's investments consisted only of pooled separate accounts.

Note 4 - Investments:

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to this information certified by John Hancock as custodian of the Plan, and Fidelity as trustee of the Plan, except for comparing such information to the related information included in the financial statements and supplemental schedule.

The following information, included in the financial statements and supplemental schedule was provided by and certified by the Plan's custodian and trustee as complete and accurate:

- Investments as shown in the Statement of Net Assets Available for Plan Benefits as of December 31, 2021 and 2020.
- Notes receivable from participants as shown in the Statement of Net Assets Available for Plan Benefits as of December 31, 2021 and 2020.
- Investment income and other income, as shown in the Statement of Changes in Net Assets Available for Plan Benefits for the year presented.
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2021.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 5 - Party-in-interest transactions:

At December 31, 2021, the Plan held for investment approximately \$12,538,000 in funds managed by Fidelity. Fidelity serves as the Plan's trustee and third party administrator. Through November 30, 2021 John Hancock served as the Plan's investment broker and custodian, and had custodial responsibility for investments held in John Hancock accounts. At December 31, 2020 the Plan held for investment approximately \$5,850,000 in funds managed by John Hancock.

Note 6 - Plan termination:

Although it has not expressed any intent to do so, the Plan sponsor 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 the Plan is terminated, all non-vested account balances would become 100% vested.

Note 7 - Income tax status:

The prototype plan obtained its latest opinion letter on June 30, 2020, in which the Internal Revenue Service stated that the prototype plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Subsequent to receiving this opinion letter, the prototype plan was amended. The Plan administrator believes that the amended prototype plan, as adopted by the Company, is operating in compliance with the requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 8 - Risks and uncertainties:

The Plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for Plan benefits and participant account balances.

APEEL SCIENCES 401(K) PLAN

Notes to Financial Statements

December 31, 2021

Note 8 - Risks and uncertainties (continued):

Impact of COVID-19 - In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease (“COVID-19”) as a pandemic. The COVID-19 outbreak in the United States did cause business disruption to the Plan sponsor and throughout its customer base and supply chain through mandated and voluntary closings of many businesses. While the disruption was temporary, there are considerable uncertainties surrounding the duration and extent of the long-term effects of these business disruptions. Therefore, while the Plan sponsor expects this matter to have a financial impact on its operating results, the financial impact to the Plan would be a possible significant depreciation of investments, due to market volatility and reduced or eliminated matching contributions from the Plan sponsor, however given the fluid nature of the outcome of the pandemic, the ultimate impact and duration cannot be reasonably estimated at this time.

APEEL SCIENCES 401(K) PLAN
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2021
EIN 45-5551038
PLAN NUMBER 001

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
	Mutual funds:		
*	Fidelity Freedom Index 2060 Fund Institutional Premium Class	Mutual Funds	\$ 2,355,502
*	Fidelity Freedom Index 2050 Fund Institutional Premium Class	Mutual Funds	2,320,619
*	Fidelity Freedom Index 2055 Fund Institutional Premium Class	Mutual Funds	2,107,845
*	Fidelity Freedom Index 2045 Fund Institutional Premium Class	Mutual Funds	1,031,060
*	Fidelity Freedom Index 2035 Fund Institutional Premium Class	Mutual Funds	870,174
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*	Fidelity Large Cap Growth Index Fund	Mutual Funds	729,830
	Columbia Dividend Income Fund Institutional 3 Class	Mutual Funds	700,219
*	Fidelity International Index Fund	Mutual Funds	591,836
	BlackRock Mid-Cap Growth Equity Portfolio Class K	Mutual Funds	447,390
*	Fidelity 500 Index Fund	Mutual Funds	255,109
	American Century Small Cap Value Fund R6 Class	Mutual Funds	229,712
	JPMorgan International Equity Fund Class R6	Mutual Funds	198,582
*	Fidelity Small Cap Index Fund	Mutual Funds	171,555
*	Fidelity Freedom Index 2065 Fund Institutional Premium Class	Mutual Funds	160,315
	Lord Abbett Developing Growth Fund Class R6	Mutual Funds	153,646
	MFS Mid Cap Value Fund Class R6	Mutual Funds	117,574
*	Fidelity Mid Cap Index Fund	Mutual Funds	114,928
*	Fidelity Freedom Index 2025 Fund Institutional Premium Class	Mutual Funds	114,109
	DFA Investment Grade Portfolio Institutional Class Shares	Mutual Funds	103,712
	DFA International Vector Equity Portfolio Institutional Class	Mutual Funds	97,043
	American Funds Inflation Linked Bond Fund Class R-6	Mutual Funds	49,467
*	Fidelity Freedom Index Income Fund Institutional Premium Class	Mutual Funds	47,833
	PGIM High Yield Fund- Class R6	Mutual Funds	7,222
*	Fidelity Freedom Index 2020 Fund Institutional Premium Class	Mutual Funds	6,041
	Cohen & Steers Institutional Realty Shares	Mutual Funds	5,522
			14,647,643
	Money market fund:		
	Gabelli U.S. Treasury Money Market Fund Class AAA	Money market fund	344,572
	Total investments		\$ 14,992,215
		4.25% - 6.5%, maturing through	
*	Notes receivable from participants	October 2030	\$ 85,631

* A party-in-interest as defined by ERISA

Column (d), cost, has been omitted as all investments are participant directed