

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</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>POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST</u>	1b Three-digit plan number (PN) ▶	<u>001</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>POLYPEPTIDE LABORATORIES, INC.</u> <u>365 MAPLE AVENUE</u> <u>TORRANCE, CA 90503-2602</u>		
1c Effective date of plan <u>01/01/1997</u>		
2b Employer Identification Number (EIN) <u>95-4599892</u>		
2c Plan Sponsor's telephone number <u>310-782-3569</u>		
2d Business code (see instructions) <u>325410</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.	10/13/2023	TIMOTHY CULBRETH
	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 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	321
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	248
a(2) Total number of active participants at the end of the plan year		6a(2)	258
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	94
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	352
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	352
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g	348
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	32
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 3H 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) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 POLYPEPTIDE LABORATORIES, INC.	D Employer Identification Number (EIN) 95-4599892	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	47085	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	6688	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AB STN GLB THMTC ADV - ALLIANCEBER 52-2269240	0.20%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM MID CAP GRTH R5 - DST ASSET MA 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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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 H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>POLYPEPTIDE LABORATORIES, INC.</u>		D Employer Identification Number (EIN) <u>95-4599892</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1316061	1445191
(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)	427131	432241
(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)	35252240	30461806
(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	36995432	32339238

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	36995432	32339238
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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)	1641600	
(B) Participants	2a(1)(B)	2123166	
(C) Others (including rollovers)	2a(1)(C)	151171	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3915937
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	18763	
(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)	19720	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		38483
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	748179	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		748179
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-7121749
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-2419150
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2183271	
(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)		2183271
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)	6688	
(4) Other	2i(4)	47085	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		53773
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2237044
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-4656194
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: EISNERAMPER LLP

(2) EIN: 87-1363769

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			

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

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 POLYPEPTIDE LABORATORIES, INC.		D Employer Identification Number (EIN) 95-4599892
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	
a	The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b
c	The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	
a	The corresponding number for the plan year immediately preceding the current plan year.....	15a
b	The corresponding number for the second preceding plan year.....	15b
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:	
a	Enter the number of employers who withdrew during the preceding plan year	16a
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐	

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

POLYPEPTIDE LABORATORIES, INC. 401(K)
PLAN AND TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021
(with supplemental information)

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator, Participants and Beneficiaries
of the PolyPeptide Laboratories, Inc. 401(k) Plan and Trust

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 Financial Statements

We have performed an audit of the financial statements of PolyPeptide Laboratories, Inc. 401(k) Plan and Trust (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 benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2022 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our 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 Department of Labor'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, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion on the 2022 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 2022 Financial Statements section:

- the amounts and disclosures in the accompanying 2022 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 2022 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 2022 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 2022 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 2022 Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) audit of the 2022 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matters

2022 Supplemental Schedules Required by ERISA

The supplemental schedules of Assets (Held at End of Year) as of December 31, 2022 and Schedule of Delinquent Participant Contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, 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 schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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



In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules 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).

Auditors' Report on the 2021 Financial Statements

The 2021 financial statements of the Plan were audited by predecessor auditors. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated August 31, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 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 determines meets the requirements of ERISA Section 103(a)(3)(C).

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
October 13, 2023



POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Statements of Net Assets Available for Benefits

	December 31,	
	2022	2021
ASSETS		
Investments at fair value	\$ 31,906,997	\$ 36,568,301
Notes receivable from participants	432,241	427,131
Contributions receivable	-	546,097
Net assets available for benefits	\$ 32,339,238	\$ 37,541,529

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2022	2021
Additions to (deductions from) net assets attributed to:		
Investment (loss) income:		
Net realized/unrealized (depreciation) appreciation in the fair value of investments	\$ (7,121,748)	\$ 3,094,611
Dividends and interest	766,942	882,399
	<u>(6,354,806)</u>	<u>3,977,010</u>
Interest income on notes receivable from participants	<u>19,720</u>	<u>19,850</u>
Contributions:		
Participant	2,123,166	1,768,775
Employer	1,095,503	1,436,802
Rollovers	151,171	176,397
	<u>3,369,840</u>	<u>3,381,974</u>
Benefits paid to participants	(2,183,272)	(925,815)
Administrative expenses	<u>(53,773)</u>	<u>(53,296)</u>
	<u>(2,237,045)</u>	<u>(979,111)</u>
Net (decrease) increase	(5,202,291)	6,399,723
Net assets available for benefits - beginning of year	<u>37,541,529</u>	<u>31,141,806</u>
Net assets available for benefits - end of year	<u>\$ 32,339,238</u>	<u>\$ 37,541,529</u>

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - DESCRIPTION OF PLAN

The following description of the PolyPeptide Laboratories, Inc. 401(K) Plan and Trust (the "Plan") provides only general information. Participants should refer to the Plan document, adoption agreement and the summary plan description for a more complete description of the Plan's provisions. The sponsor of the Plan is PolyPeptide Laboratories, Inc. (the "Company" or "Plan Sponsor").

[1] General:

The Plan is a qualified retirement plan which permits contributions by participants as defined under Section 401(k) of the Internal Revenue Code ("Tax Code"). The Plan is a defined contribution plan covering substantially all employees of the Company and PolyPeptide Laboratories San Diego, LLC 401(k) who have completed three months of service and have attained age twenty-one. Participation commences on the first day of the month following completion of the eligibility requirements. Effective May 2019, eligible participants who have no deferral election or a 0% deferral election are automatically enrolled in an initial pre-tax deferral contribution of 3% unless they opt-out of participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

[2] Trustee, recordkeeper, and custodian of assets:

Fidelity Management Trust Company ("Fidelity" or "Trustee") is the Plan's trustee, recordkeeper and custodian of assets.

[3] Participant contributions:

Each year, participants may contribute up to 100% of their eligible compensation as defined in the Plan, with an annual Internal Revenue Service ("IRS") limit of \$20,500 and \$19,500 for 2022 and 2021, respectively. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions in the amount of \$6,500 for 2022 and 2021. In no event may participant pre-tax and after-tax contributions exceed any statutory limitations. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers mutual funds as investment options for participants.

[4] Employer contributions:

The Company may make a discretionary matching contribution that equals a percentage of the participant's elective pre-tax and after-tax contributions. The Company's matching contribution was 100% of a participant's contribution, up to a maximum of 3% of the participant's eligible compensation, 75% of a participant's contribution, from 3% to 5%, and 50% of a participant's contribution from 5% up to a maximum of 6%. Beginning on September 12, 2021, the Company's matching contribution was 100% of a participant's contribution up to a maximum of 6%. The Company's matching contributions totaled \$1,095,503 and \$890,705 for the years ended December 31, 2022 and 2021, respectively.

The Company may also elect to make a discretionary profit sharing contribution. Participants must complete at least 3 months of service and be employed on the last day of the Plan year in order to receive the profit sharing contribution. For 2022 and 2021, the profit-sharing contribution was equal to 3% of a participant's eligible compensation. The Company's profit-sharing contributions totaled \$0 and \$546,097 for the years ended December 31, 2022 and 2021, respectively, and are recorded as contributions receivable.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - DESCRIPTION OF PLAN (CONTINUED)

[5] Participant accounts:

An account is maintained for each participant. Each participant's account is credited with the participant's elective deferral, the employer's matching contribution, an allocation of the Company's profit sharing contribution, if applicable, and an allocation of the Plan earnings or loss. Each participant's account is charged with benefits paid to the participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

[6] Vesting:

Participants are fully vested immediately in their elective contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's matching contribution and profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. The following 3-year graded vesting schedule applies to any contribution to the Plan made by the Company: 1 year - 33%, 2 years - 66%, and 3 years - 100%.

[7] Notes receivable from participants:

Notes receivable from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Participants may borrow from their accounts a minimum of \$1,000, up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. Loan terms range from one to five years; however, terms may exceed five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at various rates, which are commensurate with local prevailing rates as determined quarterly by the Plan Trustee. Interest rates on outstanding loan balances range from 4.25% to 8.00% and 4.25% to 6.50%, respectively, at December 31, 2022 and 2021. Principal and interest are paid ratably through monthly payroll deductions. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan document. Related fees are recorded as administrative expenses and are expensed when they are incurred.

[8] Payment of benefits:

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of not more than the participant's assumed life expectancy or the assumed life expectancy of the participant and his or her beneficiary. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

[9] Hardship provisions:

Upon approval of the Plan Sponsor, participants may make taxable withdrawals for reasons of immediate and heavy financial need as defined by the Tax Code.

[10] Forfeitures:

Participants are always fully-vested in their deferral and rollover contributions to the Plan and the earnings thereon. If a participant terminates service prior to becoming fully vested in employer matching or profit sharing contributions, any account balance that is not vested is subject to forfeiture. Forfeitures can be used either to pay administrative expenses or to reduce employer contributions. As of December 31, 2022 and 2021, the forfeitures account balance was \$16,709 and \$64,074, respectively. Forfeitures of \$120,938 and \$0 were used to reduce employer contributions during 2022 and 2021, respectively. No forfeitures were used to pay administrative expense during 2022 and 2021.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

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

[2] Investment valuation:

Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements.

[3] Income recognition:

Realized gains and losses from the sale of investments and the difference in fair value of assets held from one period to the next are recognized and included in net realized/unrealized appreciation or depreciation in the fair value of investments in the accompanying statements of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

[4] Benefit payments:

Benefits are recorded when paid.

[5] Administrative expenses:

Plan administration fees are either paid by the forfeitures account or passed through to the participants of the Plan. Expenses incurred by the Company in administering the Plan are not passed on as expenses of the Plan. Transaction based fees associated with optional services, including withdrawal fees, are charged directly to the respective Plan participant's account.

[6] Use of estimates:

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

NOTE C - INVESTMENT CERTIFICATION

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments and related investment activity and notes receivable from participants and related activity in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, the statement of changes in net assets available for benefits for the year ended December 31, 2022 and the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2022.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE D - 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 of the Plan's termination, participants will become fully vested in their accounts, which includes employer matching and profit sharing contributions.

NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. The three-level hierarchy for fair value measurements is defined as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.

Level 3 – Unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Investments are reported at fair value and assigned a hierarchy based on inputs of valuation techniques used to measure fair value.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables summarize the Plan's assets carried at fair value within the FASB ASC 820 fair value hierarchy levels as of :

Investment Assets at Fair Value as of December 31, 2022

	Unadjusted Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Unobservable Inputs (Level 3)
Investments				
Mutual funds	\$ 31,906,997	\$ -	\$ -	\$ 31,906,997

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

Investment Assets at Fair Value as of December 31, 2021

	<u>Unadjusted Quoted Prices (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>	<u>Unobservable Inputs (Level 3)</u>
Investments				
Mutual funds	<u>\$ 36,568,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,568,301</u>

NOTE F - TAX STATUS

The Plan has adopted a Volume Submitter Profit Sharing Plan with CODA sponsored by Fidelity. On June 30, 2020, the Internal Revenue Service ("IRS") stated in an advisory letter that the Volume Submitter adopted by the Plan, as then designed, was in compliance with applicable requirements of the Internal Revenue Code ("IRC") and therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE G - PARTY-IN-INTEREST TRANSACTIONS

Certain investments are managed by Fidelity. Fidelity is the Plan trustee and recordkeeper, therefore, transactions related to these investments qualify as party-in-interest transactions. Fees paid by the Plan to Fidelity were \$47,085 and \$46,831 for the years ended December 31, 2022 and 2021, respectively. The Plan also pays accounting and investment advisory fees. As service providers to the Plan, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to these service providers were \$6,688 and \$6,465 for the years ended December 31, 2022 and 2021, respectively.

NOTE H - RISKS AND UNCERTAINTIES

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at December 31, 2022 may not necessarily be indicative of amounts that could be realized in a current market exchange.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE I - RECONCILIATION TO FORM 5500

The following table is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2022 and 2021 to net assets available for benefits reported per Form 5500:

	December 31,	
	2022	2021
Net assets available for benefits per financial statements	\$ 32,339,238	\$ 37,541,529
Contributions receivable - current year	-	(546,097)
Net assets available for benefits per form 5500	<u>\$ 32,339,238</u>	<u>\$ 36,995,432</u>

The following table is a reconciliation of the change in net assets available for benefits per the financial statements for the years ended December 31, 2022 and 2021, to the change in net assets available for benefits reported per Form 5500:

	December 31,	
	2022	2021
Change in net assets available for benefits per financial statements	\$ (5,202,291)	\$ 6,399,723
Contributions receivable - current year	-	(546,097)
Contributions receivable - prior year	<u>546,097</u>	<u>464,187</u>
Net change in net assets available for benefits per form 5500	<u>\$ (4,656,194)</u>	<u>\$ 6,317,813</u>

NOTE J - SUBSEQUENT EVENTS

The Plan evaluated subsequent events through October 13, 2023, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE K - OPERATIONAL ERRORS

During the 2022 Plan year audit, PolyPeptide Laboratories, Inc. (the "Company") discovered an inadvertent administrative error related to the types of pay included in compensation under the PolyPeptide Laboratories, Inc. 401(k) Plan (the "Plan"). After discovery of the issue, the Company engaged outside ERISA counsel to assist in addressing the error. The Company intends to correct the error pursuant to the Internal Revenue Service's Employee Plans Compliance Resolution System ("EPCRS"). In particular, the Company is working with its vendors to identify any impacted participants and to distribute excess deferrals, as adjusted for earnings, and to forfeit excess employer contributions, as also adjusted for earnings, to conform the Plan's operations to its terms with respect to the types of pay excluded from Plan compensation.

SUPPLEMENTAL INFORMATION

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Employer Identification No. 95-4599892, Plan No. 001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	Fidelity	Fidelity Freedom Index 2035 Fund	**	\$ 4,376,334
*	Fidelity	Fidelity Freedom Index 2025 Fund	**	4,067,566
*	Fidelity	Fidelity Freedom Index 2030 Fund	**	3,841,832
*	Fidelity	Fidelity Freedom Index 2020 Fund	**	2,417,320
*	Fidelity	Fidelity Freedom Index 2045 Fund	**	2,090,059
*	Fidelity	Fidelity Freedom Index 2040 Fund	**	1,804,887
*	Fidelity	Fidelity 500 Index Fund	**	1,600,349
*	Fidelity	Fidelity Government Money Market Fund	**	1,445,191
*	Fidelity	Fidelity Freedom Index 2050 Fund	**	1,366,510
*	Fidelity	Fidelity Freedom Index 2055 Fund	**	1,220,218
*	Fidelity	Fidelity Freedom Index 2060 Fund	**	1,073,814
	MFS	MFS Growth Fund - Class R6	**	823,419
*	Fidelity	Fidelity Large Cap Growth Index Fund	**	602,739
	BlackRock	BlackRock Health Sciences Opportunities Port K	**	573,908
	MFS	MFS International Diversification Fund - Class R6	**	569,960
	MFS	MFS Value Fund - Class R6	**	504,438
*	Fidelity	Fidelity Select Energy Fund	**	483,931
		Victory Sycamore Small Company Opportunity Fund R6	**	362,935
	Victory Sycamore	Victory Sycamore Established Value Fund – Class R6	**	312,579
	JP Morgan	JP Morgan Mid Cap Growth Fund - Class R5	**	252,629
	PGIM	PGIM Total Return Bond Fund - Class R6	**	237,887
*	Fidelity	Fidelity Large Cap Value Index Fund	**	233,890
*	Fidelity	Fidelity Real Estate Index Fund	**	215,440
*	Fidelity	Fidelity Mid Cap Index Fund	**	210,320
*	Fidelity	Fidelity International Index Fund	**	191,097
*	Fidelity	Fidelity US Bond Index Fund	**	168,858
*	Fidelity	Fidelity Small Cap Index Fund	**	162,026
	Putnam	Putnam Small Cap Growth Fund		148,773
*	Fidelity	Fidelity Freedom Index 2065 Fund	**	128,358
*	Fidelity	Fidelity Select Gold Fund	**	116,652
*	Fidelity	Fidelity Emerging Markets Index Fund	**	90,744
	American Funds	American Funds New World Fund - Class R6	**	68,332
	BlackRock	BlackRock High Yield Bond Portfolio - Class K	**	56,939
	PGIM	PGIM Global Total Return Bond Fund - Class R6	**	43,463
	AB	AB Sustainable Global Thematic Fund		18,739
*	Fidelity	Fidelity Freedom Index Income Investor	**	16,709
*	Fidelity	Fidelity Freedom Index 2015 Fund	**	4,690
*	Fidelity	Fidelity Freedom Index 2005 Fund	**	3,462
*	Notes receivable from participants	Interest rates of 4.25%-6.50%, maturities through 2036		432,241
				<u>\$ 32,339,238</u>

* Represents a party-in-interest to the Plan.

** Information is not required as investments are participant directed.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Employer Identification No. 95-4599892, Plan No. 001

2022 Form 5500 - Schedule H, Part IV, Line 4a

Schedule of Delinquent Participant Contributions

Year Ended December 31, 2022

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions				
Participant Contributions Transferred Late to Plan *	Total That Constitute Prohibited Nonexempt Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002- 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check Here If Late Participant Loan Repayments are Included ✓		\$ 170,321		

* Contributions have been remitted to the Plan. Lost earnings in the amount of approximately \$400 have also been remitted or are in the process of being remitted.

POLYPEPTIDE LABORATORIES, INC. 401(K)
PLAN AND TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021
(with supplemental information)

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator, Participants and Beneficiaries
of the PolyPeptide Laboratories, Inc. 401(k) Plan and Trust

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 Financial Statements

We have performed an audit of the financial statements of PolyPeptide Laboratories, Inc. 401(k) Plan and Trust (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 benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2022 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our 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 Department of Labor'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, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion on the 2022 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 2022 Financial Statements section:

- the amounts and disclosures in the accompanying 2022 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 2022 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 2022 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 2022 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 2022 Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) audit of the 2022 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matters

2022 Supplemental Schedules Required by ERISA

The supplemental schedules of Assets (Held at End of Year) as of December 31, 2022 and Schedule of Delinquent Participant Contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, 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 schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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



In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules 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).

Auditors' Report on the 2021 Financial Statements

The 2021 financial statements of the Plan were audited by predecessor auditors. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated August 31, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 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 determines meets the requirements of ERISA Section 103(a)(3)(C).

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
October 13, 2023



POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Statements of Net Assets Available for Benefits

	December 31,	
	2022	2021
ASSETS		
Investments at fair value	\$ 31,906,997	\$ 36,568,301
Notes receivable from participants	432,241	427,131
Contributions receivable	-	546,097
Net assets available for benefits	\$ 32,339,238	\$ 37,541,529

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2022	2021
Additions to (deductions from) net assets attributed to:		
Investment (loss) income:		
Net realized/unrealized (depreciation) appreciation in the fair value of investments	\$ (7,121,748)	\$ 3,094,611
Dividends and interest	766,942	882,399
	<u>(6,354,806)</u>	<u>3,977,010</u>
Interest income on notes receivable from participants	<u>19,720</u>	<u>19,850</u>
Contributions:		
Participant	2,123,166	1,768,775
Employer	1,095,503	1,436,802
Rollovers	151,171	176,397
	<u>3,369,840</u>	<u>3,381,974</u>
Benefits paid to participants	(2,183,272)	(925,815)
Administrative expenses	<u>(53,773)</u>	<u>(53,296)</u>
	<u>(2,237,045)</u>	<u>(979,111)</u>
Net (decrease) increase	(5,202,291)	6,399,723
Net assets available for benefits - beginning of year	<u>37,541,529</u>	<u>31,141,806</u>
Net assets available for benefits - end of year	<u>\$ 32,339,238</u>	<u>\$ 37,541,529</u>

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - DESCRIPTION OF PLAN

The following description of the PolyPeptide Laboratories, Inc. 401(K) Plan and Trust (the "Plan") provides only general information. Participants should refer to the Plan document, adoption agreement and the summary plan description for a more complete description of the Plan's provisions. The sponsor of the Plan is PolyPeptide Laboratories, Inc. (the "Company" or "Plan Sponsor").

[1] General:

The Plan is a qualified retirement plan which permits contributions by participants as defined under Section 401(k) of the Internal Revenue Code ("Tax Code"). The Plan is a defined contribution plan covering substantially all employees of the Company and PolyPeptide Laboratories San Diego, LLC 401(k) who have completed three months of service and have attained age twenty-one. Participation commences on the first day of the month following completion of the eligibility requirements. Effective May 2019, eligible participants who have no deferral election or a 0% deferral election are automatically enrolled in an initial pre-tax deferral contribution of 3% unless they opt-out of participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

[2] Trustee, recordkeeper, and custodian of assets:

Fidelity Management Trust Company ("Fidelity" or "Trustee") is the Plan's trustee, recordkeeper and custodian of assets.

[3] Participant contributions:

Each year, participants may contribute up to 100% of their eligible compensation as defined in the Plan, with an annual Internal Revenue Service ("IRS") limit of \$20,500 and \$19,500 for 2022 and 2021, respectively. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions in the amount of \$6,500 for 2022 and 2021. In no event may participant pre-tax and after-tax contributions exceed any statutory limitations. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers mutual funds as investment options for participants.

[4] Employer contributions:

The Company may make a discretionary matching contribution that equals a percentage of the participant's elective pre-tax and after-tax contributions. The Company's matching contribution was 100% of a participant's contribution, up to a maximum of 3% of the participant's eligible compensation, 75% of a participant's contribution, from 3% to 5%, and 50% of a participant's contribution from 5% up to a maximum of 6%. Beginning on September 12, 2021, the Company's matching contribution was 100% of a participant's contribution up to a maximum of 6%. The Company's matching contributions totaled \$1,095,503 and \$890,705 for the years ended December 31, 2022 and 2021, respectively.

The Company may also elect to make a discretionary profit sharing contribution. Participants must complete at least 3 months of service and be employed on the last day of the Plan year in order to receive the profit sharing contribution. For 2022 and 2021, the profit-sharing contribution was equal to 3% of a participant's eligible compensation. The Company's profit-sharing contributions totaled \$0 and \$546,097 for the years ended December 31, 2022 and 2021, respectively, and are recorded as contributions receivable.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - DESCRIPTION OF PLAN (CONTINUED)

[5] Participant accounts:

An account is maintained for each participant. Each participant's account is credited with the participant's elective deferral, the employer's matching contribution, an allocation of the Company's profit sharing contribution, if applicable, and an allocation of the Plan earnings or loss. Each participant's account is charged with benefits paid to the participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

[6] Vesting:

Participants are fully vested immediately in their elective contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's matching contribution and profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. The following 3-year graded vesting schedule applies to any contribution to the Plan made by the Company: 1 year - 33%, 2 years - 66%, and 3 years - 100%.

[7] Notes receivable from participants:

Notes receivable from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Participants may borrow from their accounts a minimum of \$1,000, up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. Loan terms range from one to five years; however, terms may exceed five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at various rates, which are commensurate with local prevailing rates as determined quarterly by the Plan Trustee. Interest rates on outstanding loan balances range from 4.25% to 8.00% and 4.25% to 6.50%, respectively, at December 31, 2022 and 2021. Principal and interest are paid ratably through monthly payroll deductions. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan document. Related fees are recorded as administrative expenses and are expensed when they are incurred.

[8] Payment of benefits:

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of not more than the participant's assumed life expectancy or the assumed life expectancy of the participant and his or her beneficiary. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

[9] Hardship provisions:

Upon approval of the Plan Sponsor, participants may make taxable withdrawals for reasons of immediate and heavy financial need as defined by the Tax Code.

[10] Forfeitures:

Participants are always fully-vested in their deferral and rollover contributions to the Plan and the earnings thereon. If a participant terminates service prior to becoming fully vested in employer matching or profit sharing contributions, any account balance that is not vested is subject to forfeiture. Forfeitures can be used either to pay administrative expenses or to reduce employer contributions. As of December 31, 2022 and 2021, the forfeitures account balance was \$16,709 and \$64,074, respectively. Forfeitures of \$120,938 and \$0 were used to reduce employer contributions during 2022 and 2021, respectively. No forfeitures were used to pay administrative expense during 2022 and 2021.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

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

[2] Investment valuation:

Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements.

[3] Income recognition:

Realized gains and losses from the sale of investments and the difference in fair value of assets held from one period to the next are recognized and included in net realized/unrealized appreciation or depreciation in the fair value of investments in the accompanying statements of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

[4] Benefit payments:

Benefits are recorded when paid.

[5] Administrative expenses:

Plan administration fees are either paid by the forfeitures account or passed through to the participants of the Plan. Expenses incurred by the Company in administering the Plan are not passed on as expenses of the Plan. Transaction based fees associated with optional services, including withdrawal fees, are charged directly to the respective Plan participant's account.

[6] Use of estimates:

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

NOTE C - INVESTMENT CERTIFICATION

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments and related investment activity and notes receivable from participants and related activity in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, the statement of changes in net assets available for benefits for the year ended December 31, 2022 and the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2022.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE D - 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 of the Plan's termination, participants will become fully vested in their accounts, which includes employer matching and profit sharing contributions.

NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. The three-level hierarchy for fair value measurements is defined as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.

Level 3 – Unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Investments are reported at fair value and assigned a hierarchy based on inputs of valuation techniques used to measure fair value.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables summarize the Plan's assets carried at fair value within the FASB ASC 820 fair value hierarchy levels as of :

Investment Assets at Fair Value as of December 31, 2022

	Unadjusted Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Unobservable Inputs (Level 3)
Investments				
Mutual funds	<u>\$ 31,906,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,906,997</u>

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

Investment Assets at Fair Value as of December 31, 2021

	<u>Unadjusted Quoted Prices (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>	<u>Unobservable Inputs (Level 3)</u>
Investments				
Mutual funds	<u>\$ 36,568,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,568,301</u>

NOTE F - TAX STATUS

The Plan has adopted a Volume Submitter Profit Sharing Plan with CODA sponsored by Fidelity. On June 30, 2020, the Internal Revenue Service ("IRS") stated in an advisory letter that the Volume Submitter adopted by the Plan, as then designed, was in compliance with applicable requirements of the Internal Revenue Code ("IRC") and therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE G - PARTY-IN-INTEREST TRANSACTIONS

Certain investments are managed by Fidelity. Fidelity is the Plan trustee and recordkeeper, therefore, transactions related to these investments qualify as party-in-interest transactions. Fees paid by the Plan to Fidelity were \$47,085 and \$46,831 for the years ended December 31, 2022 and 2021, respectively. The Plan also pays accounting and investment advisory fees. As service providers to the Plan, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to these service providers were \$6,688 and \$6,465 for the years ended December 31, 2022 and 2021, respectively.

NOTE H - RISKS AND UNCERTAINTIES

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at December 31, 2022 may not necessarily be indicative of amounts that could be realized in a current market exchange.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Notes to Financial Statements December 31, 2022 and 2021

NOTE I - RECONCILIATION TO FORM 5500

The following table is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2022 and 2021 to net assets available for benefits reported per Form 5500:

	December 31,	
	2022	2021
Net assets available for benefits per financial statements	\$ 32,339,238	\$ 37,541,529
Contributions receivable - current year	-	(546,097)
Net assets available for benefits per form 5500	<u>\$ 32,339,238</u>	<u>\$ 36,995,432</u>

The following table is a reconciliation of the change in net assets available for benefits per the financial statements for the years ended December 31, 2022 and 2021, to the change in net assets available for benefits reported per Form 5500:

	December 31,	
	2022	2021
Change in net assets available for benefits per financial statements	\$ (5,202,291)	\$ 6,399,723
Contributions receivable - current year	-	(546,097)
Contributions receivable - prior year	<u>546,097</u>	<u>464,187</u>
Net change in net assets available for benefits per form 5500	<u>\$ (4,656,194)</u>	<u>\$ 6,317,813</u>

NOTE J - SUBSEQUENT EVENTS

The Plan evaluated subsequent events through October 13, 2023, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE K - OPERATIONAL ERRORS

During the 2022 Plan year audit, PolyPeptide Laboratories, Inc. (the "Company") discovered an inadvertent administrative error related to the types of pay included in compensation under the PolyPeptide Laboratories, Inc. 401(k) Plan (the "Plan"). After discovery of the issue, the Company engaged outside ERISA counsel to assist in addressing the error. The Company intends to correct the error pursuant to the Internal Revenue Service's Employee Plans Compliance Resolution System ("EPCRS"). In particular, the Company is working with its vendors to identify any impacted participants and to distribute excess deferrals, as adjusted for earnings, and to forfeit excess employer contributions, as also adjusted for earnings, to conform the Plan's operations to its terms with respect to the types of pay excluded from Plan compensation.

SUPPLEMENTAL INFORMATION

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Employer Identification No. 95-4599892, Plan No. 001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity	Fidelity Freedom Index 2035 Fund	**	\$ 4,376,334
*	Fidelity	Fidelity Freedom Index 2025 Fund	**	4,067,566
*	Fidelity	Fidelity Freedom Index 2030 Fund	**	3,841,832
*	Fidelity	Fidelity Freedom Index 2020 Fund	**	2,417,320
*	Fidelity	Fidelity Freedom Index 2045 Fund	**	2,090,059
*	Fidelity	Fidelity Freedom Index 2040 Fund	**	1,804,887
*	Fidelity	Fidelity 500 Index Fund	**	1,600,349
*	Fidelity	Fidelity Government Money Market Fund	**	1,445,191
*	Fidelity	Fidelity Freedom Index 2050 Fund	**	1,366,510
*	Fidelity	Fidelity Freedom Index 2055 Fund	**	1,220,218
*	Fidelity	Fidelity Freedom Index 2060 Fund	**	1,073,814
	MFS	MFS Growth Fund - Class R6	**	823,419
*	Fidelity	Fidelity Large Cap Growth Index Fund	**	602,739
	BlackRock	BlackRock Health Sciences Opportunities Port K	**	573,908
	MFS	MFS International Diversification Fund - Class R6	**	569,960
	MFS	MFS Value Fund - Class R6	**	504,438
*	Fidelity	Fidelity Select Energy Fund	**	483,931
		Victory Sycamore Small Company Opportunity Fund R6	**	362,935
	Victory Sycamore	Victory Sycamore Established Value Fund – Class R6	**	312,579
	JP Morgan	JP Morgan Mid Cap Growth Fund - Class R5	**	252,629
	PGIM	PGIM Total Return Bond Fund - Class R6	**	237,887
*	Fidelity	Fidelity Large Cap Value Index Fund	**	233,890
*	Fidelity	Fidelity Real Estate Index Fund	**	215,440
*	Fidelity	Fidelity Mid Cap Index Fund	**	210,320
*	Fidelity	Fidelity International Index Fund	**	191,097
*	Fidelity	Fidelity US Bond Index Fund	**	168,858
*	Fidelity	Fidelity Small Cap Index Fund	**	162,026
	Putnam	Putnam Small Cap Growth Fund		148,773
*	Fidelity	Fidelity Freedom Index 2065 Fund	**	128,358
*	Fidelity	Fidelity Select Gold Fund	**	116,652
*	Fidelity	Fidelity Emerging Markets Index Fund	**	90,744
	American Funds	American Funds New World Fund - Class R6	**	68,332
	BlackRock	BlackRock High Yield Bond Portfolio - Class K	**	56,939
	PGIM	PGIM Global Total Return Bond Fund - Class R6	**	43,463
	AB	AB Sustainable Global Thematic Fund		18,739
*	Fidelity	Fidelity Freedom Index Income Investor	**	16,709
*	Fidelity	Fidelity Freedom Index 2015 Fund	**	4,690
*	Fidelity	Fidelity Freedom Index 2005 Fund	**	3,462
*	Notes receivable from participants	Interest rates of 4.25%-6.50%, maturities through 2036		432,241
				<u>\$ 32,339,238</u>

* Represents a party-in-interest to the Plan.

** Information is not required as investments are participant directed.

POLYPEPTIDE LABORATORIES, INC. 401(K) PLAN AND TRUST

Employer Identification No. 95-4599892, Plan No. 001

2022 Form 5500 - Schedule H, Part IV, Line 4a

Schedule of Delinquent Participant Contributions

Year Ended December 31, 2022

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions				
Participant Contributions Transferred Late to Plan *	Total That Constitute Prohibited Nonexempt Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002- 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check Here If Late Participant Loan Repayments are Included ✓		\$ 170,321		

* Contributions have been remitted to the Plan. Lost earnings in the amount of approximately \$400 have also been remitted or are in the process of being remitted.