

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>BAEBIES, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶ <u>001</u>
		1c Effective date of plan <u>01/01/2015</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>BAEBIES, INC.</u> <u>PO BOX 14403</u> <u>615 DAVIS DRIVE</u> <u>DURHAM, NC 27617</u> <u>SUITE 800</u> <u>MORRISVILLE, NC 27560</u>	2b Employer Identification Number (EIN) <u>42-3482298</u> 2c Plan Sponsor's telephone number <u>919-328-8345</u> 2d Business code (see instructions) <u>339110</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.	10/16/2023	CHARLES CADWELL
	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		5 156
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) 129
a(2) Total number of active participants at the end of the plan year		6a(2) 100
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 76
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 176
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 176
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 174
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2F 2G 2J 2K 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 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 BAEBIES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BAEBIES, INC.	D Employer Identification Number (EIN) 42-3482298	

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	
AKRE	
54-1968332	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
CENTRE FUNDS	48 WALL STREET NEW YORK, NY 10005

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
COHEN & STEERS	
14-1904657	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
ALLIANCE BERNSTEIN	
13-3191825	

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

EASTERLY FUNDS

515 MADISON AVE 24TH FLOOR
NEW YORK, NY 10022

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

MORGAN STANLEY

36-3145972

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

NATIXIS FUNDS

52-2257782

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

AMERICAN FUNDS

95-1411037

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

JP MORGAN

13-2624428

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

DIMENSIONAL FUND ADVISORS

6300 BEE CAVE RD BLDG ONE
AUSTIN, TX 78746

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

PIMCO

95-2632339

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

THE VANGUARD GROUP

23-1945930

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

EASTERLY FUNDS

1616 N. LITCHFIELD RD STE 165
GOODYEAR, AZ 85395

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

CARILLON EAGLE

880 CARILLON PARKWAY
ST. PETERSBURG, FL 33716

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

CHARLES SCHWAB TRUST BANK

82-3967259

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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>BAEBIES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BAEBIES, INC.</u>	D Employer Identification Number (EIN) <u>42-3482298</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	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	420526220
(2) Participant contributions.....		1b(2)	3032636223
(3) Other.....		1b(3)	039
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	1629020127
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common.....		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans.....		1c(8)	0583
(9) Value of interest in common/collective trusts.....		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	42351204563067
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4285941	4646259

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4285941	4646259
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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)	252751	
(B) Participants	2a(1)(B)	917764	
(C) Others (including rollovers)	2a(1)(C)	163951	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1334466
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	116	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	16	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		132
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	194820	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		194820
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-920311
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		609107
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	240559	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		240559
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	4010	
(3) Investment advisory and management fees	2i(3)	4220	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8230
j Total expenses. Add all expense amounts in column (b) and enter total	2j		248789
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		360318
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ 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: **ROMEO, WIGGINS & COMPANY, LLP**

(2) EIN: **56-1627242**

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		307

	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 BAEBIES, INC. 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 BAEBIES, INC.		D Employer Identification Number (EIN) 42-3482298
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): 82-3967259		
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
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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 _____

**Financial Statements and
Supplemental Schedules**

Baebies, Inc. 401(k) Plan

**December 31, 2022 and 2021;
Year Ended December 31, 2022**

Financial Statements and Supplemental Schedules

Baebies, Inc. 401(k) Plan

December 31, 2022 and 2021; Year Ended December 31, 2022

Financial Statements

Independent Auditor's Report.....	1
Statements of Net Assets Available for Benefits.....	4
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Supplemental Schedules

Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	12
Form 5500, Schedule H, Line 4a - Schedule of Delinquent Participant Contributions	13

NOTE: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Plan Administrator
Baebies, Inc. 401(k) Plan
Durham, North Carolina

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

We have performed an audit of the accompanying financial statements of Baebies, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, 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 Baebies, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our 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 December 31, 2022 and 2021, 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

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

- the amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baebies, Inc. 401(k) 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.

Independent Auditor's Report (Continued)

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Baebies, Inc. 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Baebies, Inc. 401(k) Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baebies, Inc. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Independent Auditor's Report (Continued)

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 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.

Supplemental Schedules Required by ERISA

The supplemental Schedule 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 generally accepted auditing standards. 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, are 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).

Romeo, Wiggins & Company, L.L.P.

Raleigh, North Carolina
October 14, 2023

Statements of Net Assets Available for Benefits

Baebies, Inc. 401(k) Plan

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments:		
Mutual funds, at fair value	\$ 4,563,067	\$ 4,235,120
Interest-bearing cash	20,127	16,290
Participant loans	583	-
Total investments	<u>4,583,777</u>	<u>4,251,410</u>
Receivables:		
Participant contributions	36,223	30,326
Employer matching contributions	26,220	4,205
Participant loans	39	-
Total receivables	<u>62,482</u>	<u>34,531</u>
Total assets	4,646,259	4,285,941
LIABILITIES		
Excess contributions	<u>-</u>	<u>-</u>
Net assets available for benefits	<u>\$ 4,646,259</u>	<u>\$ 4,285,941</u>

See independent auditor's report and notes to financial statements.

Statement of Changes in Net Assets Available for Benefits

Baebies, Inc. 401(k) Plan

Year Ended December 31, 2022

	<u>2022</u>
Additions to net assets attributed to:	
Investment income (loss):	
Net investment gain (loss) from registered investment companies (mutual funds)	\$ (920,311)
Dividend income	194,820
Interest income	<u>132</u>
Total investment income (loss)	(725,359)
Contributions:	
Participant deferrals	917,764
Employer matching	252,751
Rollovers	<u>163,951</u>
Total contributions	<u>1,334,466</u>
Total additions	609,107
Deductions from net assets attributed to:	
Benefit payments/distributions	240,559
Contract administrator fees	4,010
Investment advisory and management fees	<u>4,220</u>
Total deductions	<u>248,789</u>
Net increase in net assets available for benefits	360,318
Net assets available for benefits:	
Beginning of year	<u>4,285,941</u>
End of year	<u><u>\$ 4,646,259</u></u>

See independent auditor's report and notes to financial statements.

Baebies, Inc. 401(k) Plan

December 31, 2022 and 2021; Year Ended December 31, 2022

NOTE A--PLAN DESCRIPTION

The following brief description of the Baebies, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution 401(k) plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was originally effective January 1, 2015.

Plan Amendment and Restatement: The Plan was amended and restated effective January 1, 2022, to bring the Plan into compliance with Cycle 3 Pre-Approved Plans, pursuant to IRS Rev. Proc. 2017-41. The restatement resulted in no significant changes to the provisions of the Plan.

Eligibility: Employees of Baebies, Inc. (the employer/plan sponsor), other than union employees, nonresident aliens, leased employees, and interns, are generally eligible to participate in the Plan. Eligible Employees may enter the Plan on their date of hire, given that the Plan has no minimum age or service requirements for participation. Employees of an employer acquired as part of a Code Sec. 410(b)(6)(C) transaction will not become an Eligible Employee until after the expiration of the transition period (i.e., the period beginning on the date of the transaction and ending on the last day of the first plan year beginning after the date of the transaction).

Contributions: Participants may defer up to the maximum allowed by the Internal Revenue Code. The Plan has an automatic deferral election feature whereby participants are considered to have entered into a Salary Deferral Election at the rate of 4% of Plan Compensation for each payroll period, unless the participant completes a Salary Deferral Election for an alternative rate or amount or makes an election not to contribute to the Plan. Although the Plan contains an automatic deferral election that is designed to satisfy the requirements of an Eligible Automatic Contribution Arrangement (EACA), the permissible withdrawal provisions under this subsection (c) are not available.

The Plan also provides for discretionary employer matching contributions in which all deferring participants share regardless of service completed during the plan year or employment status on the last day of the plan year. Matching contributions, if any, will be allocated as a uniform percentage of participant deferrals (including Roth deferrals and Catch-Up Contributions) that do not exceed a discretionary amount determined by the employer. From January 1, 2022 to May 31, 2022, the employer matched 25% on participant deferrals of up to 4% of the participant's Plan Compensation. From June 1, 2022 to December 31, 2022, the employer matched 100% on participant deferrals of up to 3% of the participant's Plan Compensation.

The Plan also provides for discretionary nonelective employer contributions, regardless of service completed during the plan year or employment status on the last day of the plan year. Nonelective employer contributions, if any, may be determined as a percentage of Compensation or as a dollar amount. The employer may also elect to give a different contribution to each eligible participant in the Plan. No nonelective employer contributions were made for 2022.

The employer may also make a 3% Safe Harbor Employer Contribution if a supplemental notice of such is given, as defined by the Plan. No such contributions were made for 2022.

Rollover contributions from another qualified retirement plan or individual retirement account will generally be accepted on behalf of participants, as well as employees who are not yet participants, in the Plan.

Compensation: The Plan considers Compensation to be W-2 wages, excluding amounts received for services performed for a non-signatory Related Employer and limited to compensation earned while a participant in the Plan.

Baebies, Inc. 401(k) Plan

NOTE A--PLAN DESCRIPTION--Continued

Funding Policy: Employee contributions accumulated through payroll deductions are required to be paid to the custodian as of the earliest date on which contributions can reasonably be segregated from the Employer's general assets, but in any event, within the time prescribed by law. Employer matching contributions will be determined based on each payroll period; however, matching contributions may be contributed and allocated to participants at any time within the contribution period as prescribed by law. Nonelective employer contributions may generally be contributed during the plan year or after the plan year ends, as prescribed by law.

Participant Accounts: Individual accounts are maintained for each participant showing the participant's interest in the Plan. The accounts are credited with participant and employer contributions, as applicable, and net investment earnings (losses), and certain administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Directed Investment Accounts: Participants may direct the investment of their account balances under the Plan.

Vesting: Participants are fully vested in salary deferrals, employer matching contributions, nonelective employer contributions, Safe Harbor contributions, and rollover contributions, plus actual earnings thereon, at all times.

Payment of Benefits: Benefit distributions equal to a participant's vested account balance are payable to the participant or their beneficiaries upon Normal Retirement (age 65), or upon death, disability, or termination of employment. The method of distribution shall be determined by the plan administrator in accordance with the provisions of the Plan.

The Plan also provides for certain in-service distributions to participants who have attained age 59 1/2, have incurred a hardship as defined in the Plan, or are in certain qualified active military duty (salary deferrals only).

Hardship Withdrawals: The Plan provides for certain hardship withdrawals if a participant can demonstrate a hardship event as defined in the Plan. A participant must certify having insufficient cash or other liquid assets reasonably available to satisfy the financial need. A participant must also take other distributions available under the Plan (or any other plan maintained by the plan sponsor) before requesting a hardship distribution. Participants taking a hardship withdrawal may continue making deferrals to the Plan.

Participant Loans: The Plan permits loans to be made to participants and their beneficiaries pursuant to a written loan policy. Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000, not to exceed 50% of their nonforfeitable account balance. Only one loan is permitted to be outstanding for each participant. The loans are secured by the balance in the participant's account and bear interest at the prime rate on the date of distribution. Principal and interest are to be paid ratably through payroll deductions over the term of the loan. The plan administrator will set the term of the loan, with no term to exceed five years unless the loan qualifies as a home loan. Outstanding participant loans approximate \$583 at December 31, 2022 and bear interest at the rate of 4.75%.

Administrative Expenses: Participant accounts may be charged for certain plan administration services and transaction-based fees. Other administrative expenses are paid by the plan sponsor.

Notes to Financial Statements--Continued

Baebies, Inc. 401(k) Plan

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles and present the net assets available for plan benefits and changes in those net assets on an accrual basis.

Investment Valuation and Income Recognition: Investments are held primarily in various mutual funds with varying degrees of risk. These investments are carried at fair value, as reported by the custodian of the Plan. Refer also to *Note D--Fair Value Measurements*.

Interest-bearing cash is held in a money market deposit account (Schwab Bank Savings/SBS) maintained by Charles Schwab Trust Bank, custodian. The account is used to process deposits and withdrawals of the Plan. Each participant's deposits are generally insured for up to \$250,000, in the aggregate, by the Federal Deposit Insurance Corporation. The SBS account reported an effective interest rate of 1.80% at December 31, 2022.

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. *Net investment gain (loss) from registered investment companies* includes gains and losses on mutual funds bought and sold, as well as held, during the year.

Participant Loans: Participant loans are measured at their unpaid principal balance plus any accrued, but unpaid, interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions as defined by the Plan.

Contributions: Contributions are recorded in the period to which they relate.

Payment of Benefits: Benefits are recorded when paid.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE C--INVESTMENT INFORMATION CERTIFIED BY CUSTODIAN

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, information related to investments disclosed in the accompanying financial statements and supplemental schedules, including investments held by the Plan at December 31, 2022 and 2021, and investment income (loss) for the year ended December 31, 2022, except as pertains to participant loans, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Charles Schwab Trust Bank (Charles Schwab), custodian of the Plan.

Baebies, Inc. 401(k) Plan

NOTE D--FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded (Level 1).

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

Assets at Fair Value as of December 31:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2022</u>				
Mutual funds	\$ <u>4,563,067</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>4,563,067</u>
<u>2021</u>				
Mutual funds	\$ <u>4,235,120</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>4,235,120</u>

Baebies, Inc. 401(k) Plan

NOTE E--TRANSACTIONS WITH PARTIES IN INTEREST

The Plan's investments include \$617 held in Charles Schwab mutual funds and \$20,127 held in an interest-bearing cash account with Charles Schwab. These transactions qualify as party-in-interest transactions. Charles Schwab charged no period fees as pertains to these investments in 2022.

NOTE F--RISKS AND UNCERTAINTIES

The Plan invests in various marketable securities that are exposed to various risks, such as interest rate, market risk, and credit risk. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of these securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits. The accompanying financial statements do not include adjustments for changes in fair value subsequent to December 31, 2022.

NOTE G--PLAN TERMINATION

Although it has not expressed any intention 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 provisions of ERISA. In the event of termination of the Plan, all participant accounts will become fully vested. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the plan sponsor may determine.

NOTE H--TAX STATUS

The prototype for the Plan obtained a favorable opinion letter, dated June 30, 2020, in which the Internal Revenue Service stated that in their opinion the prototype for the Plan, as then designed, was acceptable under Section 401 of the Internal Revenue Code (the Code), to the extent provided in Rev. Proc. 2017-41, for use by employers for the benefit of their employees. The plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Code. The plan administrator reviews the Plan's tax positions annually and is aware of no uncertain tax positions that require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE I--UNTIMELY REMITTANCES TO THE PLAN (including nonexempt prohibited transactions)

The plan sponsor failed to transfer the following participant deferrals (and related matching contributions) to the Plan in the timeframe required by law:

	<u>Participant Deferrals (*)</u>	<u>Employer Match</u>
Pay date: January 20, 2022	\$ 307	\$ 3

(*) These constitute nonexempt prohibited transactions corrected outside the Voluntary Fiduciary Correction Program (VFCP).

The plan administrator subsequently transferred these participant deferrals and related matching contributions, including lost earnings thereon, to the Plan.

Notes to Financial Statements--Continued

Baebies, Inc. 401(k) Plan

NOTE J--SUBSEQUENT EVENTS

Subsequent events were evaluated through October 14, 2023, the date on which the financial statements were available to be issued. No further adjustments to or disclosures in the financial statements are considered necessary.

SUPPLEMENTAL SCHEDULES

Baebies, Inc. 401(k) Plan

Plan No: 001

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
	Akre Focus Institutional	Mutual Fund	\$ -	\$ 13,955
	AB Large Cap Growth Z	Mutual Fund	-	3,793
	Cohen & Steers Real Estate Sec	Mutual Fund	-	13,234
	Centre American Select Equity	Mutual Fund	-	1,084
	DFA Intl Small Cap Value I	Mutual Fund	-	19,992
	Carrillon Eagle Mid Cap Grwth	Mutual Fund	-	110
	Easterly Global Real Estate R6	Mutual Fund	-	9,089
	Loomis Sayles Core Plus Bond N	Mutual Fund	-	28,533
	JPMorgan Equity Income R6	Mutual Fund	-	67,431
	Pimco Inv Grade Corp Bd Instl	Mutual Fund	-	310
	Pimco Income Institutional	Mutual Fund	-	31,574
	AB Small Cap Growth Portfolio	Mutual Fund	-	16,365
*	Schwab Bank Savings	Interest-Bearing Cash	-	20,127
	American Funds Target 2025	Mutual Fund	-	274,513
	American Funds Target 2030	Mutual Fund	-	482,701
	American Funds Target 2035	Mutual Fund	-	135,794
	American Funds Target 2040	Mutual Fund	-	453,259
	American Funds Target 2045	Mutual Fund	-	411,546
	American Funds Target 2050	Mutual Fund	-	351,366
	American Funds Target 2015	Mutual Fund	-	266,334
	American Funds Target 2055	Mutual Fund	-	361,643
	American Funds Target 2010	Mutual Fund	-	305
	American Funds American Bal	Mutual Fund	-	763
	American Funds SmallCap Wld	Mutual Fund	-	24,877
	American Funds Target 2020	Mutual Fund	-	174,028
*	Schwab Inflation Protect Fd	Mutual Fund	-	617
	Undiscover Mgrs Behav Value R6	Mutual Fund	-	32,285
	Vanguard ShortTerm Bond IdxAdm	Mutual Fund	-	2,007
	Vanguard TotalBond Mkt IdxAdm	Mutual Fund	-	87,638
	Vanguard 500 Index Admiral	Mutual Fund	-	717,696
	Vanguard Mid Cap Index Admiral	Mutual Fund	-	381,125
	Vanguard SmallCap Index Adm	Mutual Fund	-	139,962
	Vanguard Developed Mkt Idx Adm	Mutual Fund	-	59,138
	Participant Loans	4.75%	0	583
				<u>\$ 4,583,777</u>

* A party-in-interest.

Note: This schedule has been prepared based on information certified as complete and accurate by the Plan's custodian.
Information certified by the custodian has not been audited by independent auditors. Cost information in column (d)
has been omitted since this information is not required for participant-directed investments.

See independent auditor's report as pertains to supplemental schedules required by ERISA.

Baebies, Inc. 401(k) Plan

Plan No: 001

Year Ended December 31, 2022

Participant Contributions Transferred Late to the Plan	Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PIE 2002-51
	Contributions Not Corrected (*)	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check here if late participant loan repayments are included:				
-	\$ 307	\$	\$	\$
	<u>\$ 307</u>			

(*) Corrected subsequently, including
lost earnings thereon, outside VFCP.

See independent auditor's report as pertains to supplemental schedules required by ERISA.

Baebies, Inc. 401(k) Plan

Plan No: 001

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
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	Cohen & Steers Real Estate Sec	Mutual Fund	-	13,234
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	DFA Intl Small Cap Value I	Mutual Fund	-	19,992
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	Easterly Global Real Estate R6	Mutual Fund	-	9,089
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*	Schwab Bank Savings	Interest-Bearing Cash	-	20,127
	American Funds Target 2025	Mutual Fund	-	274,513
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	Undiscover Mgrs Behav Value R6	Mutual Fund	-	32,285
	Vanguard ShortTerm Bond IdxAdm	Mutual Fund	-	2,007
	Vanguard TotalBond Mkt IdxAdm	Mutual Fund	-	87,638
	Vanguard 500 Index Admiral	Mutual Fund	-	717,696
	Vanguard Mid Cap Index Admiral	Mutual Fund	-	381,125
	Vanguard SmallCap Index Adm	Mutual Fund	-	139,962
	Vanguard Developed Mkt Idx Adm	Mutual Fund	-	59,138
	Participant Loans	4.75%	0	583
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Baebies, Inc. 401(k) Plan

Plan No: 001

Year Ended December 31, 2022

Participant Contributions Transferred Late to the Plan	Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PIE 2002-51
	Contributions Not Corrected (*)	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check here if late participant loan repayments are included:				
-	\$ 307	\$	\$	\$
	<u>\$ 307</u>			

(*) Corrected subsequently, including
lost earnings thereon, outside VFCP.

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