THIRD QUARTER 2024 CONFERENCE CALL

Jess Jankowski, President & CEO

Thank you, Livia.

Good afternoon to all of those listening live, we appreciate your flexibility on today's timing. Also, thank you to those following up later online. Kevin Cureton, our Chief Operating Officer, is joining me again on the call today. We have some brief prepared comments, then we'll be available for some Q&A afterward.

Dare I say our progress has been scary-good so far in 2024? Looking at our quarterly financial results, and talking in approximate numbers, at almost $17M in total revenue and over $3M in net income for Q3 of 2024, we continue to set new milestones. Y-O-Y, our bottom line went from an 18% loss in Q3 of 23, to net income of 18%, or $3.1M in third quarter 2024… that's a $4.5M swing.

Looking at our nine-month financial results, again talking in approximate numbers, we are at a record pace (which is not an approximation):

• With a total of $40M in revenue, our 9-month numbers have exceeded the prior year's 9-month numbers by more than $10M, or 36%.

o We have set a new revenue record for each quarter in 2024…and we expect to do it again in Q4.

o Just through 9/30 of 2024, we've exceeded total, FULL YEAR, 2023 revenue by $2.5M, or 7%, and we have a quarter to go.

• At $13.4M in gross profit, or 34% of sales, we exceeded 9-month 2023 gross profit by $6M, and our gross profit percentage was up 9 points, almost 40%, over that of the same period in 2023.

• We also booked $4.8M in net income for the nine months of 2024, versus a $2.3M LOSS for the same period in 2023, more than a $7M improvement.

Looking forward, in the “Solésence era,” our Q4 revenue has typically been lower, as a percentage of total revenue, than Q2 and Q3. There are too many variables for us to give a clear indication of full-year results at this point, but we do expect 2024 revenue to exceed $50M, and, with upside, we may well finish in the mid-to-upper $50M range.

We are looking at solid customer demand into 2025, and, while expecting a typical dip in Q4 results, we see more growth coming as we continue to improve operational efficiencies. Our top focus is preparing to deliver additional volume in 2025, and to increase profitability on every unit we ship.

Now I’d like to introduce Kevin Cureton, our Chief Operating Officer, to share his thoughts on our progress in 2024 and our forward outlook. Kevin?

Kevin Cureton, COO

Thanks Jess,

As always, I would like to thank our team for continuing to demonstrate why we are considered the platinum standard in the industry, our brand partners for their continued commitment to collaborative growth, our supplier partners for keeping their promises to us, and of course our investors for their patience and faith in our organization.

Q3 represents a milestone moment for our organization. Jess has already highlighted some of those key financial successes so I will spend a brief bit of time on operational milestones that were also achieved.

I’m sure it’s no surprise that our company in 2 of the 3 months of Q3 achieved record throughput levels. The improvement in throughput was largely driven by our adoption of OEE metrics that helped us focus our company on areas that would yield the biggest immediate improvement in performance - in Q3 that focus was on increasing up time. With the improvement in uptime, we also saw an improvement in labor efficiency as compared to prior quarters. While there is still far to go, with the key additions in our production management and maintenance teams and the realization of the benefits from our automation investments, we expect to consistently improve our performance in these areas.

Our other key metrics were also strong. We continued to have excellent inventory availability, allowing us for the first time this year to also achieve a significant improvement in on time in full performance, where over 90% of all planned shipments were completed within the quarter.

As we noted at the beginning of this year, we believe that we can simultaneously achieve continued growth at a multiple of the industry's growth rate while improving profitability. When combining these operational improvements with improvements in materials cost, it's clear that our company is now solidly positioned to continue to accomplish that objective. We plan to continue to grind hard at proving this quarter after quarter and in fact we are focused on having our ebitda performance rival some of the best-in-class companies in the market - regardless of industry segment.

In closing, I'd like to mention two items - our book of business and our people. It's great to be able confidently state that we have a strong book of business similar in scope to what we had when we closed Q2. We are poised for excellent top line growth in Q4 of this year versus the same period in 2023 and already have orders that will result in record volumes for Q1 2025. Turning to our teams - As I noted last quarter, this success is underpinned by the fabulous teams we have throughout the company. We know that while our world-class technology and know-how is what got this journey started, it's our people that ultimately make the difference and will be the reason that we continue to outperform our market in terms of growth and profitability. We continue to Raise our Expectations and are excited about what the future holds.

Jess Jankowski, President & CEO

Thanks, Kevin.

To expand on the book-of-business point, for purposes of comparison, our shipped and open orders at 9/30 of this year at $34M are about 80% higher than the same number for 2023. We expect more than a third of that in Q4. This is how we'll deliver record Q4 revenue this year, followed by record Q1 revenue expected in 2025.

In terms of our commercial model, a good way to summarize our business is that, with our active pharmaceutical ingredients, or "APIs," we are offering the market a way to achieve UVA, UVB, and other environmental protection, in what we believe is the safest manner possible. While this was always a priority in our business, the advent of Solésence has helped us to bring our finished mineral-based solutions to entirely new markets. Not only will we enhance your life by helping to protect your skin with minerals, in the way most dermatologists believe is safest and most effective, but we'll also help you to look great while doing it. We continue to see consumers of prestige cosmetics demand more of our market partners' Solésence-enabled products. These are large and deep markets for us. We expect the growth to continue. Consumers realize that safe skin protection is a critical part of overall health, as is feeling good about the way you look. That's what we're all about.

While we know that most of our investors listen to the webcast, or review the transcript, after this call, we're happy to invite those of you participating live on today's call to ask any questions you may have or share a comment or two. Afterward, I'll offer a few closing comments.

Livia, would you please begin the Q&A session?

Q&A SESSION PLACEHOLDER

Thank you, Livia.

And thanks to all of our investors and stakeholders for playing such a critical part in helping us to become a sustainable business as we develop critical mass. We couldn't do it without your financial investment, or your emotional investment. I also need to amplify what Kevin has said, our team makes this Company and we're grateful for all of their efforts, their willingness to work hard and take risks, and their daily investment in bringing an aggressive strategy to fruition. By continuing to raise our expectations, by doggedly pursuing our Solésence-driven growth strategy, and gritting it all out, we are becoming the exciting company we'd all hoped for. This is just the beginning, and our future is bright.

I hope everyone has a good rest of your day, maybe helping the kids in your life to find the neighbor that gives out the full-size candy bars, or better yet, being the neighbor that gives out the full-size candy bars, and finish things today with a smile. Thanks folks.