**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# Form 10-Q/A

(Amendment No. 1)

**☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended: **September 30, 2025**
or

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **001-42589**

# Solésence, Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **36-3687863** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**1319 Marquette Drive, Romeoville, Illinois 60446**
(Address of principal executive offices, and zip code)

Registrant's telephone number, including area code: **(630) 771-6708**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value per share | SLSN | The NASDAQ Capital Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "accelerated filer", "large accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | |
|---|---|
| Large accelerated filer ☐ | Accelerated filer ☐ |
| Non-accelerated filer ☑ | Smaller reporting company ☑ |
| | Emerging growth company ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of November 12, 2025, there were 70,536,845 shares outstanding of common stock, par value $.01, of the registrant.

## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (this "Amendment") amends our Quarterly Report on Form 10-Q for the period ended September 30, 2025, which was originally filed with the Securities and Exchange Commission (the "SEC") on November 12, 2025 (the "Original Filing").

We are filing this Amendment to restate our interim consolidated financial statements and related financial information for the period ended September 30, 2025.

**Background of the Restatement**

As previously disclosed in its Quarterly Report on Form 10-Q filed August 19, 2026, and in its Current Report on Form 8-K filed on August 21, 2026, during its review of inventory accounting in connection with the preparation of its unaudited condensed consolidated financial statements for the quarter ended June 30, 2026, Solésence, Inc., formerly known as Nanophase Technologies Corporation (the "Company"), identified errors in its historical accounting for labor and overhead included in inventories. The historical process allocated certain labor and overhead between raw materials and finished goods using budget-based percentages and allocation bases that were not sufficiently supported. The process also did not consistently limit capitalized costs to eligible acquisition and production costs, allocate variable overhead based on actual activity, or adjust standard or budgeted amounts so that they approximated actual cost. The Company concluded that the historical process did not comply with the inventory-costing requirements in ASC 330, Inventory.

As a result, inventories were overstated and cost of revenue was misstated. The errors also affected gross profit, operating income (loss), income (loss) before income taxes, net income (loss), basic and diluted earnings (loss) per share, accumulated deficit, total stockholders' equity and related disclosures in the periods affected. The Company determined the correction from its accounting records, including general-ledger and inventory detail, cost-pool and burden-rate schedules, inventory roll-forwards and the Company's internal inventory-cost model.

After considering the requirements of ASC 250, Accounting Changes and Error Corrections, and the quantitative and qualitative factors in SEC Staff Accounting Bulletin ("SAB") Topic 1.M and Topic 1.N, on August 17, 2026, the Audit Committee, Board of Directors and Executive Officers of the Company concluded that the Company's previously issued consolidated financial statements as of and for the years ended December 31, 2023, 2024, and 2025, as of and for the three months ended March 31, 2024, 2025, and 2026, as of and for the three and six months ended June 30, 2024 and 2025, and as of and for the three and nine months ended September 30, 2024 and 2025 should no longer be relied upon. The Company is filing amendments to its Annual Reports on Form 10-K for the years ended December 31, 2024 and 2025 and its Quarterly Reports on Form 10-Q for the quarters ended September 30, 2025, March 31, 2026 and June 30, 2026. The restated 2023 financial statements and related correction disclosures are included in the 2024 Form 10-K/A; a separate amendment to the 2023 Form 10-K will not be filed.

The Audit Committee has discussed with the Company's independent accountant the matters disclosed herein.

**Impact of the Restatement**

The corrections resulted in a change in inventory on our Consolidated Balance Sheets and a corresponding change in cost of revenue on our Consolidated Statement of Operations. The effects of the Restatement on our previously reported Consolidated Statements of Operations, Consolidated Balance Sheets, and Consolidated Cash Flows are detailed in Note 3, "Restatement of Previously Issued Financial Statements," to the Consolidated Financial Statements included in Part I - Item 1 of this Amendment.

**Internal Controls and Assessments**

In connection with this Restatement, management has re-evaluated the effectiveness of our internal controls over financial reporting as of September 30, 2025. Management identified material weaknesses in inventory costing and in oversight and review of financial reporting and restatement activities. Accordingly, our internal controls and disclosure controls and procedures were not effective as of September 30, 2025. See Part I - Item 4, "Controls and Procedures," for additional information and our remediation plan.

**Scope of this Amendment**

This Amendment includes revisions to, among other things: Part I - Item 1, Item 2, & Item 4, and Part II – Item 6.

Except as described above, this Amendment does not reflect events occurring after the filing of the Original Filing, nor does it modify or update disclosures in the Original Filing in any way. This Amendment should be read in conjunction with the Original Filing and our other subsequent filings with the SEC.

**SOLÉSENCE, INC.**

**QUARTER ENDED SEPTEMBER 30, 2025**

**INDEX**


| | | Page |
|---|---|---|
| PART I – FINANCIAL INFORMATION | | |
| Item 1. | Financial Statements | 6 |
| | Consolidated Balance Sheets (Unaudited Consolidated Condensed) as of September 30, 2025, and December 31, 2024 | 6 |
| | Consolidated Statements of Operations (Unaudited Consolidated Condensed) for the three and nine months ended September 30, 2025, and 2024 | 7 |
| | Consolidated Statements of Stockholders' Equity (Unaudited Consolidated Condensed) for the nine months ended September 30, 2025, and 2024 | 8 |
| | Consolidated Statements of Cash Flows (Unaudited Consolidated Condensed) for nine months ended September 30, 2025, and 2024 | 10 |
| | Notes to Unaudited Consolidated Condensed Financial Statements | 11 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 21 |
| Item 4. | Controls and Procedures | 24 |
| PART II – OTHER INFORMATION | | 26 |
| Item 6. | Exhibits | 26 |
| SIGNATURES | | 27 |

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

**SOLÉSENCE, INC.**
**CONSOLIDATED BALANCE SHEETS (AS RESTATED)**
**(Unaudited Consolidated Condensed)**

| | As of | |
|---|---|---|
| | September 30, 2025 (As Restated) | December 31, 2024 (As Restated) |
| | (in thousands except share and per share data) | |
| **ASSETS** | | |
| **Current assets:** | | |
| Cash | $ 429 | $ 1,409 |
| Trade accounts receivable | 11,438 | 5,655 |
| Allowance for credit losses | (1,729) | (786) |
| Trade accounts receivable, net | 9,709 | 4,869 |
| Inventories, net | 15,127 | 15,616 |
| Prepaid expenses and other current assets | 3,785 | 2,803 |
| Total current assets | 29,050 | 24,697 |
| Equipment and leasehold improvements, net | 13,938 | 12,734 |
| Operating leases, right of use | 7,257 | 7,917 |
| Other assets, net | — | 3 |
| Total assets | $ 50,245 | $ 45,351 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current liabilities:** | | |
| Line of credit – accounts receivable, related party | $ 5,316 | $ — |
| Current portion of line of credit – inventory, related party | — | 4,000 |
| Current portion of term debt, related party | — | 1,000 |
| Current portion of operating lease obligations | 1,224 | 1,260 |
| Accounts payable | 4,826 | 9,093 |
| Deferred revenue | 1,197 | 5,571 |
| Accrued expenses | 5,301 | 4,849 |
| Total current liabilities | 17,864 | 25,773 |
| Long-term portion of operating lease obligations | 8,144 | 9,037 |
| Long-term portion of line of credit– inventory, related party | 9,500 | — |
| Long-term portion of term debt, related party | 1,000 | — |
| Asset retirement obligations | 252 | 246 |
| Total long-term liabilities | 18,896 | 9,283 |
| **Stockholders' equity:** | | |
| Preferred stock, $.01 par value, 24,088 shares authorized, and no shares issued and outstanding | — | — |
| Common stock, $.01 par value, 95,000,000 shares authorized; 70,536,845 and 70,103,279 shares issued and outstanding on September 30, 2025 and December 31 2024, respectively | 705 | 700 |
| Additional paid-in capital | 115,323 | 114,674 |
| Accumulated deficit | (102,543) | (105,079) |
| Total stockholders' equity | 13,485 | 10,295 |
| **Total liabilities and stockholders' equity** | $ 50,245 | $ 45,351 |

***(See accompanying Notes to Consolidated Financial Statements)***

**SOLÉSENCE, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS (AS RESTATED)**
**(Unaudited Consolidated Condensed)**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 (As Restated) | 2024 (As Restated) | 2025 (As Restated) | 2024 (As Restated) |
| **Revenue:** | | | | |
| Product revenue | $ 14,533 | $ 16,785 | $ 49,369 | $ 39,479 |
| Other revenue | 64 | 81 | 212 | 301 |
| Total revenue | 14,597 | 16,866 | 49,581 | 39,780 |
| **Operating expense:** | | | | |
| Cost of revenue | 11,123 | 11,089 | 36,043 | 28,108 |
| Gross profit | 3,474 | 5,777 | 13,538 | 11,672 |
| Research and development expense | 1,082 | 970 | 3,055 | 2,746 |
| Selling, general and administrative expense | 3,069 | 1,934 | 8,188 | 5,321 |
| Net (loss) income from operations | (677) | 2,873 | 2,295 | 3,605 |
| Interest expense, net | 339 | 153 | 603 | 562 |
| Other income, net | — | — | 1,234 | — |
| Net (loss) income before provision for income taxes | (1,016) | 2,720 | 2,926 | 3,043 |
| Provision for income taxes | — | — | 390 | — |
| Net (loss) income | $ (1,016) | $ 2,720 | $ 2,536 | $ 3,043 |
| Net (loss) income per share-basic | $ (0.01) | $ 0.04 | $ 0.04 | $ 0.05 |
| Weighted average number of basic common shares outstanding | 70,500,925 | 69,873,394 | 70,269,539 | 59,778,119 |
| Net (loss) income per share-diluted | $ (0.01) | $ 0.04 | $ 0.03 | $ 0.05 |
| Weighted average number of diluted common shares outstanding | 70,500,925 | 71,935,394 | 72,745,662 | 61,725,119 |

***(See accompanying Notes to Consolidated Financial Statements)***

**SOLÉSENCE, INC.**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (AS RESTATED)**
**(Unaudited Consolidated Condensed)**
**For the nine months ended September 30, 2024**
**(In thousands, except share data)**

| Description | Preferred shares | Preferred stock | Common shares | Common stock | Additional paid-in capital | Accumulated deficit (As Restated) | Total (As Restated) |
|---|---|---|---|---|---|---|---|
| Balance on December 31, 2023 (previously reported) | — | $ — | 49,627,254 | $ 496 | $ 106,069 | $ (104,663) | $ 1,902 |
| Restatement adjustment (Note 3) | — | — | — | — | — | (1,515) | (1,515) |
| Balance on December 31, 2023 (as restated) | — | — | 49,627,254 | 496 | 106,069 | (106,178) | 387 |
| Issuance of shares and stock option exercises | — | — | 5,233,730 | 52 | 1,944 | — | 1,996 |
| Stock-based compensation | — | — | — | — | 160 | — | 160 |
| Net loss for the three months ended March 31, 2024 (as restated) | — | — | — | — | — | (201) | (201) |
| Balance on March 31, 2024 (as restated) | — | — | 54,860,984 | 548 | 108,173 | (106,379) | 2,342 |
| Issuance of shares and stock option exercises | — | — | 15,000,000 | 150 | 5,810 | — | 5,960 |
| Stock-based compensation | — | — | — | — | 157 | — | 157 |
| Net income for the three months ended June 30, 2024 (as restated) | — | — | — | — | — | 525 | 525 |
| Balance on June 30, 2024 (as restated) | — | — | 69,860,984 | 698 | 114,140 | (105,854) | 8,984 |
| Issuance of shares and stock option exercises | — | — | 88,662 | 1 | 39 | — | 40 |
| Stock-based compensation | — | — | — | — | 160 | — | 160 |
| Net income for the three months ended September 30, 2024 (as restated) | — | — | — | — | — | 2,720 | 2,720 |
| Balance on September 30, 2024 (as restated) | — | — | 69,949,646 | 699 | 114,339 | (103,134) | 11,904 |

*(See accompanying Notes to Consolidated Financial Statements)*

**SOLÉSENCE, INC.**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (AS RESTATED)**
**(Unaudited Consolidated Condensed)**
**For the nine months ended September 30, 2025**
**(In thousands, except share data)**

| Description | Preferred shares | Preferred stock | Common shares | Common stock | Additional paid-in capital | Accumulated deficit (As Restated) | Total (As Restated) |
|---|---|---|---|---|---|---|---|
| Balance on December 31, 2024 (previously reported) | — | $ — | 70,103,279 | $ 700 | $ 114,674 | $ (100,428) | $ 14,946 |
| Restatement adjustment (Note 3) | — | — | — | — | — | (4,651) | (4,651) |
| Balance on December 31, 2024 (as restated) | — | — | 70,103,279 | 700 | 114,674 | (105,079) | 10,295 |
| Issuance of shares and stock option exercises | — | — | — | — | 3 | — | 3 |
| Stock-based compensation | — | — | — | — | 127 | — | 127 |
| Net income for the three months ended March 31, 2025 (as restated) | — | — | — | — | — | 231 | 231 |
| Balance on March 31, 2025 (as restated) | — | — | 70,103,279 | 700 | 114,804 | (104,848) | 10,656 |
| Issuance of shares and stock option exercises | — | — | 378,666 | 4 | 241 | — | 245 |
| Stock-based compensation | — | — | — | — | 120 | — | 120 |
| Net income for the three months ended June 30, 2025 (as restated) | — | — | — | — | — | 3,321 | 3,321 |
| Balance on June 30, 2025 (as restated) | — | — | 70,481,945 | 704 | 115,165 | (101,527) | 14,342 |
| Issuance of shares and stock option exercises | — | — | 54,900 | 1 | 36 | — | 37 |
| Stock-based compensation | — | — | — | — | 122 | — | 122 |
| Net loss for the three months ended September 30, 2025 (as restated) | — | — | — | — | — | (1,016) | (1,016) |
| Balance on September 30, 2025 (as restated) | — | — | 70,536,845 | 705 | 115,323 | (102,543) | 13,485 |

*(See accompanying Notes to Consolidated Financial Statements)*

**SOLÉSENCE, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (AS RESTATED)**
**(Unaudited Consolidated Condensed)**

| | Nine months ended September 30, | |
|---|---|---|
| | 2025 (As Restated) | 2024 (As Restated) |
| | (in thousands) | |
| **Operating activities:** | | |
| Net income | $ 2,536 | $ 3,043 |
| Adjustments to reconcile net income to cash used in operating activities: | | |
| Depreciation and amortization | 676 | 700 |
| Stock-based compensation | 369 | 477 |
| Changes in assets and liabilities related to operations: | | |
| Trade accounts receivable, net | (4,840) | (5,265) |
| Inventories, net | 489 | (3,262) |
| Prepaid expenses and other assets | (982) | (1,979) |
| Accounts payable | (4,449) | 7 |
| Accrued expenses | 452 | 2,345 |
| Deferred revenue | (4,368) | 3,875 |
| Change in right of use asset and lease liability, net | (269) | (159) |
| Net cash used in operating activities | (10,386) | (218) |
| | | |
| **Investing activities:** | | |
| Acquisition of equipment and leasehold improvements | (1,693) | (1,965) |
| Net cash used in investing activities | (1,693) | (1,965) |
| | | |
| **Financing activities:** | | |
| Proceeds from line of credit - inventory, related party | 5,500 | 200 |
| Proceeds from line of credit – accounts receivable, related party | 5,313 | 14,875 |
| Payments to line of credit – accounts receivable, related party | — | (17,685) |
| Payments to term loans, related party | — | (2,000) |
| Proceeds from issuance of mezzanine preferred stock | — | 6,000 |
| Proceeds from issuance of stock and exercise of stock options | 286 | 1,996 |
| Net cash provided by financing activities | 11,099 | 3,386 |
| (Decrease) increase in cash | (980) | 1,203 |
| Cash at beginning of period | 1,409 | 1,722 |
| Cash at end of period | $ 429 | 2,925 |
| | | |
| **Supplemental cash flow information:** | | |
| Interest paid | $ 690 | $ 516 |
| Income Taxes Paid | $ 325 | $ — |
| | | |
| **Supplemental non-cash investing and financing activities:** | | |
| Accounts payable incurred for the purchase of equipment and leasehold improvements | $ 182 | $ 295 |
| Conversion of mezzanine preferred stock | $ — | $ 6,000 |

***(See accompanying Notes to Consolidated Financial Statements)***

**(1) Basis of Presentation**

The accompanying unaudited consolidated condensed interim financial statements of Solésence, Inc. ("Solésence", "Company", "we", "our", or "us") reflect all adjustments that, in the opinion of management, are necessary for a fair statement of our financial position and operating results for the interim periods presented. These adjustments consist of normal recurring adjustments and the restatement adjustments described in Note 3. All statements include the results from both Solésence, Inc. and our wholly-owned subsidiary, Solésence, LLC. Operating results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

These financial statements should be read in conjunction with our restated consolidated financial statements and notes thereto for the year ended December 31, 2024. The December 31, 2024 balance sheet amounts presented herein agree with that restated annual financial information.

**(2) Description of Business**

Solésence, Inc. ("Solésence", "Company", "we", "our", or "us") is a science-driven company which, along with its wholly owned subsidiary, Solésence, LLC (our "Solésence beauty science subsidiary"), is focused in various beauty- and life-science markets. Using consumer health as our end-goal and science and innovation to guide the path, skin health and medical diagnostics combined currently make up the majority of our business and drive our forward growth strategy. We offer engineered materials, formulation development and commercial manufacturing through an integrated family of technologies. Our expertise in materials engineering allows us to effectively coat and disperse particles on a nano and "non-nano" scale for use in a variety of skin health markets, including for use in sunscreens as active ingredients and as fully developed prestige skin care and cosmetics products, marketed and sold through our Solésence beauty science subsidiary. In terms of our life sciences focus, we have seen demand decrease for our medical diagnostics ingredients. Additionally, we continue to sell products in legacy markets, including architectural coatings, industrial coating applications, abrasion-resistant additives, plastics additives, and surface finishing technologies (polishing) applications, all of which, along with medical diagnostics, fall into the advanced materials product category.

We target markets, primarily related to skin health products and ingredients, as well as diagnostic life sciences ingredients where we believe our materials and products offer practical and competitive minerals-based solutions. We traditionally work closely with current customers in these target markets to identify their material and performance requirements. We market our materials to various end-use applications manufacturers, and our Solésence® products to cosmetics and skin care brands.

Recently developed technologies have made certain new products possible and opened potential new markets. During 2015 we were granted a patent on a new type of particle surface treatment (coating) — now called Active Stress Defense ™ Technology — which became the cornerstone of our new product development in personal care, with first revenue recognized during 2016. Active Stress Defense™ now refers to a suite of three proprietary technologies — Original Active Stress Defense™, Kleair™, and Bloom™ — all three of which either utilize a unique and proprietary, mineral-based technology or work synergistically with one of our unique and proprietary, mineral-based technologies to improve performance and/or aesthetics. Our ongoing innovation efforts include new IP in areas that advance environmental protection, align with market needs, and complement our existing technologies. Through the creation of our Solésence beauty science subsidiary, we utilize our technology suite to manufacture and sell fully developed solutions to targeted customers in the skin care industry, typically in prestige skin care and cosmetics markets, in addition to the ingredients we have traditionally sold in the personal care area.

Although our primary strategic focus has been the North American market, we currently sell materials to customers overseas and have been working to expand our reach within foreign markets. On April 8, 2025 the Company's securities were uplisted to Nasdaq trading under the symbol SLSN. Prior to listing on Nasdaq our common stock traded on the OTCQB marketplace under the symbol NANX.

While product sales comprise the majority of our revenue, we also recognize revenue from other sources from time to time. These activities are not expected to drive the long-term growth of the business. For this reason, we classify such revenue as "other revenue" in our Consolidated Statements of Operations, as it does not represent revenue directly from the sale of our products.

Under SEC Release 33-10513; 34-83550, Amendments to Smaller Reporting Company Definition, the Company qualifies as a smaller reporting company and accordingly, it has scaled some of its disclosures of financial and non-financial information in this quarterly report. The Company will continue to determine whether to provide additional scaled disclosures of financial or non-financial information in future quarterly reports, annual reports and/or proxy statements if it remains a smaller reporting company under SEC rules.

**(3) Restatement of Previously Issued Unaudited Consolidated Condensed Financial Statements**

The Company has restated the previously issued financial information presented in these unaudited consolidated condensed financial statements as of September 30, 2025 and December 31, 2024 and for the three and nine months ended September 30, 2025 and 2024 to correct errors in the determination and application of overhead burden rates used in inventory costing. The errors resulted in overstated raw materials and finished goods inventories, on a net basis after considering the overstatement of reserves for excess and obsolete inventories and misstated cost of revenue. The correction decreased inventories, total assets and stockholders' equity and increased accumulated deficit. The restatement has changed the Unaudited Consolidated Financial Statements and Notes 5, 7 and 8.

The correction reduced net inventories by approximately $3.742 million at September 30, 2025 and $4.651 million at December 31, 2024. Net inventories as restated include reserves for excess and obsolete inventory of $2.240 million and $1.657 million at those dates, respectively. Cost of revenue decreased by approximately $0.104 million and $0.909 million for the three and nine months ended September 30, 2025 and increased by approximately $0.325 million and $1.750 million for the corresponding 2024 periods.

Opening accumulated deficit at January 1, 2024 and January 1, 2025 increased by approximately $1.515 million and $4.651 million, respectively, to reflect the cumulative inventory corrections at the preceding year ends.

The restatement did not affect actual cash receipts or payments. With respect to the consolidated statement of cash flows, the changes to net income and the year-over-year change in inventory balance offset each other, resulting in no change to net cash provided by or used in operating activities. Net cash flows from investing and financing activities and beginning and ending cash balances were also unchanged.

The following tables summarize the effects of the restatement. Amounts are in thousands, except per-share amounts.

**Condensed unaudited consolidated balance sheet at September 30, 2025**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Inventories, net | $ 18,869 | $ (3,742) | $ 15,127 |
| Total current assets | 32,792 | (3,742) | 29,050 |
| Total assets | 53,987 | (3,742) | 50,245 |
| Accumulated deficit | (98,801) | (3,742) | (102,543) |
| Total stockholders' equity | 17,227 | (3,742) | 13,485 |
| Total liabilities and stockholders' equity | 53,987 | (3,742) | 50,245 |

**Condensed consolidated balance sheet at December 31, 2024**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Inventories, net | $ 20,267 | $ (4,651) | $ 15,616 |
| Total current assets | 29,348 | (4,651) | 24,697 |
| Total assets | 50,002 | (4,651) | 45,351 |
| Accumulated deficit | (100,428) | (4,651) | (105,079) |
| Total stockholders' equity | 14,946 | (4,651) | 10,295 |
| Total liabilities and stockholders' equity | 50,002 | (4,651) | 45,351 |

**Condensed unaudited consolidated statement of operations for the three months ended September 30, 2025**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Cost of revenue | $ 11,227 | $ (104) | $ 11,123 |
| Gross profit | 3,370 | 104 | 3,474 |
| Income (loss) from operations | (781) | 104 | (677) |
| Income (loss) before income taxes | (1,120) | 104 | (1,016) |
| Net income (loss) | (1,120) | 104 | (1,016) |
| Basic earnings (loss) per share | (0.02) | 0.01 | (0.01) |
| Diluted earnings (loss) per share | (0.02) | 0.01 | (0.01) |

**Condensed unaudited consolidated statement of operations for the three months ended September 30, 2024**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Cost of revenue | $ 10,764 | $ 325 | $ 11,089 |
| Gross profit | 6,102 | (325) | 5,777 |
| Income (loss) from operations | 3,198 | (325) | 2,873 |
| Income (loss) before income taxes | 3,045 | (325) | 2,720 |
| Net income (loss) | 3,045 | (325) | 2,720 |
| Basic earnings (loss) per share | 0.04 | — | 0.04 |
| Diluted earnings (loss) per share | 0.04 | — | 0.04 |

**Condensed unaudited consolidated statement of operations for the nine months ended September 30, 2025**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Cost of revenue | $ 36,952 | $ (909) | $ 36,043 |
| Gross profit | 12,629 | 909 | 13,538 |
| Income (loss) from operations | 1,386 | 909 | 2,295 |
| Income (loss) before income taxes | 2,017 | 909 | 2,926 |
| Net income (loss) | 1,627 | 909 | 2,536 |
| Basic earnings (loss) per share | 0.02 | 0.02 | 0.04 |
| Diluted earnings (loss) per share | 0.02 | 0.01 | 0.03 |

**Condensed unaudited consolidated statement of operations for the nine months ended September 30, 2024**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Cost of revenue | $ 26,358 | $ 1,750 | $ 28,108 |
| Gross profit | 13,422 | (1,750) | 11,672 |
| Income (loss) from operations | 5,355 | (1,750) | 3,605 |
| Income (loss) before income taxes | 4,793 | (1,750) | 3,043 |
| Net income (loss) | 4,793 | (1,750) | 3,043 |
| Basic earnings (loss) per share | 0.08 | (0.03) | 0.05 |
| Diluted earnings (loss) per share | 0.08 | (0.03) | 0.05 |

**Unaudited quarterly net income and loss**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Three months ended March 31, 2024 | $ 893 | $ (1,094) | $ (201) |
| Three months ended June 30, 2024 | 856 | (331) | 525 |
| Three months ended September 30, 2024 | 3,045 | (325) | 2,720 |
| Three months ended March 31, 2025 | 80 | 151 | 231 |
| Three months ended June 30, 2025 | 2,667 | 654 | 3,321 |
| Three months ended September 30, 2025 | (1,120) | 104 | (1,016) |

**Unaudited accumulated deficit at the dates presented**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| December 31, 2023 | $ (104,663) | $ (1,515) | $ (106,178) |
| March 31, 2024 | (103,770) | (2,609) | (106,379) |
| June 30, 2024 | (102,914) | (2,940) | (105,854) |
| September 30, 2024 | (99,869) | (3,265) | (103,134) |
| December 31, 2024 | (100,428) | (4,651) | (105,079) |
| March 31, 2025 | (100,348) | (4,500) | (104,848) |
| June 30, 2025 | (97,681) | (3,846) | (101,527) |
| September 30, 2025 | (98,801) | (3,742) | (102,543) |

**Unaudited total stockholders' equity at the dates presented**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| December 31, 2023 | $ 1,902 | $ (1,515) | $ 387 |
| March 31, 2024 | 4,951 | (2,609) | 2,342 |
| June 30, 2024 | 11,924 | (2,940) | 8,984 |
| September 30, 2024 | 15,169 | (3,265) | 11,904 |
| December 31, 2024 | 14,946 | (4,651) | 10,295 |
| March 31, 2025 | 15,156 | (4,500) | 10,656 |
| June 30, 2025 | 18,188 | (3,846) | 14,342 |
| September 30, 2025 | 17,227 | (3,742) | 13,485 |

**Condensed unaudited consolidated cash flows for the nine months ended September 30, 2025**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Net income | $ 1,627 | $ 909 | $ 2,536 |
| Inventories, net | 1,398 | (909) | 489 |
| Net cash used in operating activities | (10,386) | — | (10,386) |
| Cash at end of period | 429 | — | 429 |

**Condensed unaudited consolidated cash flows for the nine months ended September 30, 2024**

| | As Previously Reported | Restatement Adjustment | As Restated |
|---|---|---|---|
| Net income | $ 4,793 | $ (1,750) | $ 3,043 |
| Inventories, net | (5,012) | 1,750 | (3,262) |
| Net cash used in operating activities | (218) | — | (218) |
| Cash at end of period | 2,925 | — | 2,925 |

**(4) Revenues and Other Income**

Revenues are recognized when control of the promised goods is transferred to customers, in an amount that reflects the consideration we expect to receive in exchange for those goods. When our ingredients and finished products are shipped, with control being transferred at the shipping point, this is the point in time at which we recognize the related revenue.

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within selling, general and administrative expenses. Customers' deposits, deferred revenue and other receipts are deferred and recognized when the revenue is realized and earned. Cash payments to customers are classified as reductions of revenue in our statements of operations. For select customers the Company may pay volume rebates which are variable in nature due to the amount the select customer will take. During the three and nine months ended September 30, 2025, customers earned a volume rebate of $18 and $65 respectively. For the year ended December 31, 2024, one customer earned a volume rebate of $35.

Contract balances at September 30, 2025, December 31, 2024, and December 31, 2023 are as follows:

| | Accounts Receivable, net | Contract Liabilities |
|---|---|---|
| Balance, December 31, 2023 | $ 3,467 | $ 2,353 |
| Balance, December 31, 2024 | 4,869 | 5,571 |
| Balance, September 30, 2025 | 9,709 | 1,197 |

Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period was $33 and $1,279 for the three months ended September 30, 2025 and 2024, respectively, and $5,028 and $2,882 for the nine months ended September 30, 2025 and 2024, respectively.

As part of the sales process, it is common for the Company to receive customer deposits. These deposits are typically held for less than a year and do not result in a financing component to the sales. The customer deposits are recognized as revenue when the Company ships the finished goods to the customer. Revenue is recognized when the goods are shipped.

The Company will for some customers arrange for the shipping of the finished goods. Revenues and costs associated with the shipment of the finished goods are recorded separately within product revenue and cost of revenue, respectively, on the consolidated statement of operations. With regard to revenue recognition, shipping activities that occur prior to the customers' obtaining control of the goods are not a promised service to the customer, but rather activities to fulfill the Company's promise to transfer the goods. As such, these activities are not deemed a performance obligation requiring allocation of the transaction price. Similarly, shipping activities that occur after the customers' obtaining control of the goods are, as a matter of policy, also not a promised service to the customer, but rather an activity to fulfill the Company's promise to transfer the goods.

Other revenue typically includes fees that our customers pay for various required laboratory tests, and may also include revenue from technology license fees and paid development projects. Technology license fees and paid development projects are recognized over time when the obligations under the agreed upon contractual arrangements are performed on our part. Other revenue recognized over time was $64 and $81, for the three months ended September 30, 2025 and 2024, respectively, and $212 and $301 for the nine months ended September 30, 2025 and 2024, respectively.

Trade accounts receivable are carried at original invoice amount less an estimate made for future credit losses based on a review of all outstanding amounts on a monthly basis, and written off when deemed uncollectible. We determine the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts, as well as expected losses based on the current and anticipated macroeconomic environment. Recoveries of trade accounts receivable previously written off are recorded when received. Our typical credit terms are between thirty and sixty days from shipment and invoicing.

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Balance, beginning | $ 786 | $ 225 |
| Current period provisions | 950 | 564 |
| Write offs | (7) | (3) |
| Balance, ending | $ 1,729 | $ 786 |

**(5) Earnings per Share**

Basic earnings per share is computed using the weighted-average number of common shares outstanding. Diluted earnings per share includes the weighted-average incremental shares from stock options when their effect is dilutive. Potential common shares were excluded from diluted earnings per share for the three months ended September 30, 2025 because the Company reported a net loss. Weighted-average incremental shares included in diluted earnings per share were 2,476,123 for the nine months ended September 30, 2025 and 2,062,000 and 1,947,000 for the three and nine months ended September 30, 2024, respectively.

Earnings applicable to common stock and common stock shares used in the calculation of basic and diluted earnings per share are as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 (as restated) | 2024 (as restated) | 2025 (as restated) | 2024 (as restated) |
| Numerator: (in Thousands) | | | | |
| Net (loss) income | $ (1,016) | $ 2,720 | $ 2,536 | $ 3,043 |
| | | | | |
| Denominator: | | | | |
| Weighted average number of basic shares outstanding | 70,500,925 | 69,873,394 | 70,269,539 | 59,778,119 |
| Weighted average additional shares assuming conversion of in-the-money stock options to common shares and assumed repurchase of common shares by the Company | — | 2,062,000 | 2,476,123 | 1,947,000 |
| Weighted average number of diluted common shares outstanding | 70,500,925 | 71,935,394 | 72,745,662 | 61,725,119 |
| | | | | |
| Basic earnings per common share: | | | | |
| Net (loss) income per share – basic | $ (0.01) | $ 0.04 | $ 0.04 | $ 0.05 |
| Diluted earnings per common share: | | | | |
| Net (loss) income per share – diluted | $ (0.01) | $ 0.04 | $ 0.03 | $ 0.05 |

**(6) Financial Instruments**

We follow ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment.

Our financial instruments include cash, accounts receivable, net, accounts payable and accrued expenses, along with any short-term and long-term borrowings as described in Note 7. The carrying values of cash, accounts receivable, net, and accounts payable and accrued expenses are reasonable estimates of their fair value due to the short-term nature of these accounts. The fair value of short-term and long-term debt approximates carrying value based on comparison of terms to similar debt offering in the marketplace.

There were no financial instruments adjusted to fair value on September 30, 2025 and December 31, 2024.

**(7) Related Party Notes and Lines of Credit**

Notes and lines of credit consist of the following:

| | | As of September 30, 2025 | | As of December 31, 2024 | |
|---|---|---|---|---|---|
| | Rate at September 30, 2025 | Total Borrowing Capacity (as restated) | Outstanding Borrowed Balance | Total Borrowing Capacity | Outstanding Borrowed Balance |
| Libertyville Bank & Trust[1] | 8.25% | $ 30 | $ — | $ 30 | $ — |
| Libertyville Bank & Trust[2] | 8.25% | 500 | — | 500 | — |
| Beachcorp, LLC[3] | 8.00% | 8,196 | 5,316 | 5,604 | — |
| Beachcorp, LLC[4] | 8.00% | 8,128 | 9,500 | 5,200 | 4,000 |
| Strandler, LLC[5] | 8.00% | 1,000 | 1,000 | 1,000 | 1,000 |

1) Since July 2014, we have maintained a bank-issued letter of credit for up to $30 in borrowings, with interest at the prime rate plus 1%, to support our obligations under our Romeoville, Illinois facility lease agreement. No borrowings have been incurred under this promissory note. It is our intention to renew this note annually. Because there were no amounts outstanding on the note at any time during 2025 or 2024, we have recorded no related liability on our condensed consolidated balance sheet.

2) On December 21, 2021, the existing credit agreement with Libertyville was converted for use to support our obligations under our newly leased manufacturing and warehouse space in Bolingbrook, Illinois. Interest on drawn balances will be at the prime rate plus 1%. This credit agreement has a maturity of December 22, 2025. We expect to renew this agreement annually, as the lease requires. This credit agreement is secured by all the unencumbered assets of the Company and has superior collateral rights to those credit facilities with Beachcorp, LLC and Strandler, LLC.

3) On January 28, 2022, the Company entered into an Amended and Restated Business Loan Agreement (the "A&R Loan Agreement"), which amends and restates the Master Agreement between the Company and Beachcorp, LLC, and a new promissory note in order to evidence the A/R Revolver facility, including an amendment to expand the limit on the A/R Revolver Facility from $6,000 to $8,000, reduce the interest rate to the prime rate plus 0.75%, and extend the maturity of the A/R Revolver Facility to March 31, 2024. On March 1, 2024, the Company entered into a Second Amendment to the Amended and Restated Business Loan Agreement extending the maturity of the A/R Revolver Facility to October 1, 2025. On May 27, 2025, the Company entered into a Third Amendment to the Amended and Restated Business Loan Agreement to expand the limit on the A/R Revolver Facility from $8,000 to $12,000, and extend its maturity to April 30, 2027. On September 30, 2026, the Company entered into a Fourth Amendment to the Amended and Restated Business Loan Agreement to extend its maturity to May 31, 2028.

4) On January 28, 2022, the Company entered into the A&R Loan Agreement and a new revolving loan agreement ("Inventory Facility") with Beachcorp, LLC, and a new promissory note in order to evidence the Inventory Facility. The maximum borrowing amount under the Inventory Facility was $4,000, with a borrowing base consisting of up to 50% of the value of qualified inventory of the Company. The interest rate for the Inventory Revolver is at the prime rate plus 0.75%, and it was set to mature on March 31, 2024. On November 13, 2023, the Company entered into a Replacement Promissory Note with Beachcorp, LLC replacing the Inventory Facility promissory note executed on January 28, 2022. The maximum borrowing amount under the replacement Inventory Facility was increased to $5,200, with a borrowing base consisting of up to 55% of the value of qualified inventory of the Company. The interest rate for the replacement Inventory Revolver remains at the prime rate plus 0.75%. On March 1, 2024, the company entered into a Second Amendment to the Business Loan Agreement extending the maturity of the Inventory Revolver Facility to October 1, 2025. On May 27, 2025, the Company entered into a Third Amendment to the Business Loan Agreement to expand the limit on the Inventory Revolver Facility from $5,200 to $10,000, and extend its maturity to April 30, 2027. On September 30, 2026, the Company entered into a Fourth Amendment to the Business Loan Agreement to extend its maturity to May 31, 2028. As described above in Note 3 (Restatement of Previously Issued Consolidated Financial Statements), the Company recently identified errors in its historical accounting for labor and overhead included in inventories. As a result, inventories were overstated in past borrowing base calculations under the Inventory Facility. Effective and dated as of August 17, 2026, Beachcorp, LLC provided a waiver of all breaches, defaults and events of default under the Inventory Facility as a result of the inventory related accounting matters described in Note 3, with respect to up to $3,000 per occurrence, of over advances on the Inventory Revolving Loans. The Company does not expect there to be any prospective impact on the compliance or availability of the Inventory Facility.

5) On January 28, 2022, the Company entered into an additional Business Loan Agreement (the "New Term Loan Agreement") with Strandler, LLC, which effectively transferred or assigned the Term Loan to Strandler, LLC from Beachcorp, LLC. Interest on the New Term Loan is at the prime rate plus 0.75%. Strandler, LLC is also an affiliate of Bradford T. Whitmore. On March 1, 2024, the company entered into a Second Amendment to the Business Loan Agreement extending the maturity of the Term Maturity Note to October 1, 2025. On May 27, 2025, the Company entered into a Third Amendment to the Business Loan Agreement extending the maturity of the Term Maturity Note to April 30, 2027. On September 30, 2026, the Company entered into a Fourth Amendment to the Business Loan Agreement extending the maturity of the Term Maturity Note to May 31, 2028. On November 4, 2026, Strandler, LLC assigned to Whitmore Holdings, LLC all of its rights as a lender under the New Term Loan agreement.

The Company classifies the line of credit – accounts receivable as current because we are required to pay back the borrowings as cash is received from our customers. The Company's remaining debt is presented within the condensed consolidated balance sheet as of September 30, 2025, and December 31, 2024, in accordance with the maturity dates in the financing agreements.

Beachcorp, LLC, Strandler, LLC and Whitmore Holdings, LLC are affiliates of Mr. Bradford T. Whitmore, who beneficially owns a majority of the Company's common stock and is the brother of Ms. R. Janet Whitmore, a director of the Company and the chair of the Company's board of directors. The A/R Revolver Facility, the Inventory Facility and the New Term Loan are all secured by all the unencumbered assets of the Company and subordinated to the Company's credit facility with Libertyville Bank & Trust.

Related party interest expense consists of the following:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Interest expense, related parties | $ 338 | $ 152 | $ 795 | $ 546 |
| Accrued interest expense, related parties | 107 | 46 | 107 | 46 |

Outstanding balances associated with related parties are as follows:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Beachcorp, LLC | $ 14,816 | $ 4,000 |
| Strandler, LLC | 1,000 | 1,000 |

**(8) Inventories, net as Restated**

Inventories consist of the following:

| | September 30, 2025 (as restated) | December 31, 2024 (as restated) |
|---|---|---|
| Raw materials | $ 12,365 | $ 12,860 |
| Finished goods | 5,002 | 4,413 |
| Inventory reserve | (2,240) | (1,657) |
| Total Inventories, net | $ 15,127 | $ 15,616 |

**(9) Capital Stock**

As of September 30, 2025, and December 31, 2024, we had 24,088 authorized but unissued shares of preferred stock.

Pursuant to the Securities Purchase Agreement executed on March 1, 2024, the Company issued to Strandler 15,000 shares of the Company's Series X Preferred Stock (the "Series X Preferred Stock") at a purchase price per share of $400, for total consideration of $6,000,000, in a transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof. On June 20, 2024, Strandler converted its 15,000 shares of Series X Preferred Stock to 15,000,000 shares of Common Stock.

**(10) Significant Customers**

We had three significant customers for the three and nine months ended September 30, 2025, and 2024.

Revenues from these three customers, as a percentage of total Company revenue, was approximately:

| | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| **Customer #** | **Product Category** | **2025** | **2024** | **2025** | **2024** |
| 1 | Consumer Products | 37% | 34% | 27% | 34% |
| 2 | Consumer Products | 20% | —% | 19% | —% |
| 3 | Personal Care Ingredients | 3% | 17% | 9% | 14% |
| | Total | 60% | 51% | 55% | 48% |

Accounts receivable balances for these three customers were approximately:

| | | As of September 30, | |
|---|---|---|---|
| **Customer #** | **Product Category** | **2025** | **2024** |
| 1 | Consumer Products | $ 3,724 | $ 3,976 |
| 2 | Consumer Products | 3,565 | (2) |
| 3 | Personal Care Ingredients | — | 1,034 |
| | Total | $ 7,289 | $ 5,008 |

We currently have exclusive supply agreements with BASF Corporation ("BASF"), our largest personal care ingredient customer, that have contingencies outlined which could potentially result in the sale of production equipment from the Company to the customer intended to provide capacity sufficient to meet the customer's production needs. This outcome may occur if we fail to meet certain performance requirements. In the event of an equipment sale, upon incurring a triggering event, the equipment would be sold to the customer at either 115% of the equipment's net book value or the greater of 30% of the original book value of such equipment, and any associated upgrades to it, or 115% of the equipment's net book value, depending on the equipment and related products.

If a triggering event were to occur and BASF elected to proceed with the equipment sale mentioned above, we would lose a significant source of revenue.

**(11) Business Segmentation and Geographical Distribution**

The Company operates as a single business segment, in which the factors used to make this determination include differences in products, services, geographical areas, regulatory environment, and other such criteria considered for the appropriateness of aggregation. The types of products and services for which the sole reportable segment, which is the same as the Company as a whole, offered by the Company are discussed in Note 2. Since the Company operates as a single segment, there were no intra-entity sales or transfers.

The Chief Operating Decision Maker assesses performance for the single segment and decides how to allocate resources based on net income and gross profit, both of which are reported in the condensed consolidated statement of operations. The measure of segment assets is reported on the condensed consolidated balance sheet as total assets. The accounting policies of the sole segment are the same as those described in the summary of significant accounting policies in our most recently issued Form 10-K for the year ended December 31, 2024.

The Chief Operating Decision Maker uses gross profit and net income to evaluate Company performance and in what way to allocate resources. Significant segment expenses, which are the same as the entity as a whole, are as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 (as restated) | 2024 (as restated) | 2025 (as restated) | 2024 (as restated) |
| Total revenue | $ 14,597 | $ 16,866 | $ 49,581 | $ 39,780 |
| | | | | |
| Employee costs | 4,546 | 3,504 | 11,874 | 9,580 |
| Contractors and professional services | 2,021 | 2,325 | 9,225 | 5,325 |
| Materials and supplies | 5,314 | 5,647 | 17,081 | 14,106 |
| Depreciation | 225 | 231 | 676 | 700 |
| Interest expense | 339 | 153 | 603 | 562 |
| Other income | — | — | (1,234) | — |
| Tax expense | 17 | 36 | 464 | 90 |
| Facilities | 1,009 | 832 | 2,942 | 2,404 |
| Shipping | 280 | 251 | 802 | 724 |
| Testing | 119 | 212 | 388 | 642 |
| IT services | 351 | 279 | 1,031 | 781 |
| Insurance | 234 | 198 | 647 | 576 |
| Manufacturing other expense | 496 | 17 | 663 | 355 |
| Selling, general and administrative expense | 662 | 461 | 1,883 | 892 |
| Total Expense | 15,613 | 14,146 | 47,045 | 36,737 |
| | | | | |
| Net (loss) Income | $ (1,016) | $ 2,720 | $ 2,536 | $ 3,043 |

Revenue from international sources approximated $1,656 and $735 for the three months ended September 30, 2025 and 2024, respectively, and $5,169 and $1,490 for the nine months ended September 30, 2025 and 2024, respectively. As part of our revenue from international sources, we recognized approximately $1,217 and $317 for the three months ended September 30, 2025 and 2024, respectively, and $3,326 and $566 for the nine months ended September 30, 2025 and 2024, respectively in product revenue from companies in the United Kingdom.

Our operations comprise a single business segment and all of our long-lived assets are located within the United States. We categorize our revenue stream into three main product categories, personal care ingredients, advanced materials and consumer products. The revenues for the three and nine months ended September 30, 2025 and 2024 by category are as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| **Product Category** | 2025 | 2024 | 2025 | 2024 |
| Consumer Products | $ 13,943 | $ 13,600 | $ 44,368 | $ 32,904 |
| Personal Care Ingredients | 384 | 2,845 | 4,445 | 5,966 |
| Advanced Materials | 270 | 421 | 768 | 910 |
| Total Sales | $ 14,597 | $ 16,866 | $ 49,581 | $ 39,780 |

**(12) Contingencies**

In June 2025, the Company received a payment of $1,729 from the U.S. Department of the Treasury under the Employee Retention Credit (ERC) program, along with $272 in interest related to the delayed payment. The ERC is a refundable payroll tax credit made available under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and subsequent legislation.

In prior periods, the Company concluded that recognition of the ERC as an asset and related income was not appropriate under U.S. GAAP because realization was not considered probable. Specifically, due to uncertainties regarding the timing, amount, and ultimate approval of the credit by the Internal Revenue Service (IRS), the ERC was evaluated as a gain contingency in accordance with ASC 450-30, *Contingencies – Gain Contingencies*. As a result, no asset or income was recorded, and no related disclosure was made in prior filings.

In June 2025, the contingency was resolved with the receipt of $1,729 relating to the ERC and $272 of related interest. Because the payments exceeded the amount requested, the Company recognized $1,234 of ERC income and $194 of related interest income and recorded a $572 liability for the excess ERC payment and estimated related interest. The $1,234 of ERC income was included in other income, net, and the $194 of interest income was netted against interest expense in the condensed consolidated statements of operations for the nine months ended September 30, 2025. These amounts were recognized in the second quarter and were not included in the results for the three months ended September 30, 2025. While management has no indication of a pending review, the IRS may audit ERC payments for several years after they were requested. The $572 liability is currently included in accrued expenses and remains contingent upon expiration of the applicable ERC audit period, which the Company estimates will occur in 2029.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Overview**

On March 7, 2025, Nanophase Technologies Corporation announced its rebranding as Solésence, Inc. ("Solésence," "Company," "we," "our," or "us"), marking a new chapter in its commitment to innovation, self-expression, and inclusivity in skin health. The Company's stock continued to trade under the NANX ticker symbol until April 8, 2025 when it began trading on Nasdaq under the symbol SLSN. Our corporate website transitioned to Solésence.com. Investor relations information, including historic Nanophase financials and disclosures, is available at ir.Solésence.com. The Company changed its legal name to Solésence, Inc. by amending its certificate of incorporation with the State of Delaware on March 10, 2025, which was subsequently corrected to Solésence, Inc. by the filing of a Certificate of Correction with the State of Delaware on June 3, 2025.

Solésence, along with its wholly owned subsidiary, Solésence, LLC (our "Solésence consumer products subsidiary"), is a leading innovator in scientifically-driven health care solutions across beauty and life science categories, protecting skin from environmental aggressors and enhancing the aesthetic appeal of healthy products. Skin health, addressed through both our consumer products and our Active Pharmaceutical Ingredients ("APIs"), currently make up the great majority of our business, with additional revenue being generated from other legacy advanced materials applications. The Company was incorporated in Illinois on November 25, 1989 and became a Delaware corporation during November 1997. Our common stock now trades on Nasdaq under the symbol SLSN after previously trading under the NANX ticker on the OTCQB marketplace. We have development and application laboratories, and manufacturing capacity in two locations in the Chicago, Illinois area.

Leveraging a platform of integrated patented and proprietary technologies, we create products with unique performance to enhance end-consumers' health and well-being. We offer comprehensive production, from engineered materials, formulation development, and finished product development, to commercial manufacturing and packaging capabilities. Our expertise in materials engineering allows us to effectively coat and disperse materials on a nano and "non-nano" scale for use in a variety of markets in skin health, including for use in sunscreens as APIs. We believe our innovative approach to creating these materials gives us technological and market advantages. We also leverage expertise to develop skin care, sun care, and color cosmetics products ("Solésence consumer products") that offer unique skin health benefits. We offer these for sale to brands who ultimately sell products to consumers in both prestige and mass markets within the beauty industry. Our Solésence consumer products have received broad acceptance in the marketplace. Due to the enhanced efficacy and aesthetic qualities offered by our proprietary technology platform, Solésence consumer products satisfy growing consumer demands for "clean" and inclusive beauty across a range of product formats and categories. The vertically integrated nature of our Solésence consumer products helps us to develop ingredient technologies and formulas in tandem. We have leveraged this to develop specialized formulation know-how with our unique ingredients, improve efficiency, and avoid potential major supply chain challenges, while also addressing ongoing sustainability efforts.

Given our technological position, in addition to the historical market acceptance of our APIs for use in skin health products and sunscreens, we have seen rapidly growing sales for our suite of Solésence consumer products. Due to the expanding demand from our brand partners, we have further refined our strategy to reflect our view that consumer products should be the major focus of our growth strategy. Management believes that this growth is happening now due to a confluence of our technology and market conditions that favor the types of products we produce. We continue to see unprecedented demand for these products. Coupled with our expanded and growing expertise in these areas, we believe we are well positioned to enjoy growth into the future. This success had led us to focus our combined business, ingredient technology, and product-development capabilities on products that bring unique performance to this area. While we will continue to produce and sell materials to our other advanced materials customers, it is not our strategic focus, and we expect it to make up less of our total business over time. We may develop additional technologies or find unique applications outside of our core markets in the future, but to maximize the use of our resources today, we plan on expanding efforts in areas where we have proven we can deliver innovation and growth.

Solésence now partners with brands to develop, manufacture, and market products and ingredients that enhance lives through healthy skin.

**Results of Operations**

Total revenue decreased to $14,597 for the three months ended September 30, 2025, compared to $16,866 for the same period in 2024. Total revenue increased to $49,581 for the nine months ended September 30, 2025, compared to $39,780 for the same period in 2024. Much of our revenue was from our three largest customers for the three- and nine-month periods ended September 30, 2025, one of which was a new customer, and two of our three largest customers for the same period in 2024. This reflects sales to our largest customers for our consumer products and sales of APIs to our largest customer in personal care ingredients. This is the revenue breakdown, as a percentage of total revenue, from the customers referenced above during the three-and nine-month period ended September 30, 2025, and 2024 respectively:

| | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| **Customer #** | **Product Category** | **2025** | **2024** | **2025** | **2024** |
| 1 | Consumer Products | 37% | 34% | 27% | 34% |
| 2 | Consumer Products | 20% | —% | 19% | —% |
| 3 | Personal Care Ingredients | 3% | 17% | 9% | 14% |
| | Total Sales | 60% | 51% | 55% | 48% |

Product revenue, the primary component of our total revenue, decreased to $14,533 for the three months ended September 30, 2025, compared to $16,785 during the same period of 2024, and increased to $49,369 for the nine months ended September 30, 2025, compared to $39,479 during the same period of 2024. The three-month product revenue decrease was due lower sales in the personal care ingredients and advanced materials product categories, partially offset by to higher sales in our consumer products product category. The nine-month product revenue increase was due to higher sales in our consumer products product category, partially offset by lower sales in the personal care ingredients and advanced materials product categories.

Other revenue decreased to $64 and $212 for the three- and nine-month periods ended September 30, 2025, compared to $81 and $301 for the same periods in 2024, respectively. Other revenue is comprised primarily of fees for laboratory testing and developmental or licensing fees.

Cost of revenue generally includes costs associated with commercial production and customer development arrangements. Cost of revenue, as restated for each period, increased to $11,123 for the three months ended September 30, 2025, compared to $11,089 for the same period in 2024, and increased to $36,043 for the nine months ended September 30, 2025, compared to $28,108 for the same period in 2024. The increase in cost of revenue for the nine-month period reflects increased volume, manufacturing operating inefficiencies, and facilities improvements. While we typically pass through costs to our customers, we sometimes cannot pass through all pricing increases on raw materials, and higher material costs can negatively affect gross margin. The Company continues to monitor the potential impact of new tariffs on materials sourced internationally.

Capacity is a key area of focus to increase throughput, followed quickly by increased cost efficiency once we can achieve greater scale. Our planning has had us adding to our current fixed manufacturing cost structure through 2025 to accommodate additional growth, and to build a better base for further growth beyond that level. The extent to which margins grow, as a percentage of total revenue, will be dependent upon revenue mix, revenue volume, our ability to cut costs and pass commodity market-driven raw materials increases on to customers, and the speed and efficiency with which we are able to scale up production for our consumer products. We expect that, as product revenue volume increases, our fixed manufacturing costs will be more efficiently absorbed, which should lead to increased margins as we grow. Our most critical operational issue today is reducing controllable variable product manufacturing costs.

Research and development expense, which includes all expenses relating to the technology and advanced engineering groups, primarily consists of costs associated with the development or acquisition of new finished product formulations for skin care, new product applications for our skin care ingredients, advancement of our medical diagnostics ingredient knowledge, and the cost of enhancing our manufacturing processes. As an example, we are currently focusing the bulk of our resources on developing new product formulations, and related new technologies, as we expand marketing and sales efforts relating to our Solésence products. This work has led to several new products and additional potential new products. Our efforts in research and development, cosmetic formulating, process engineering and advanced engineering groups are focused in three major areas: 1) application development for our products; 2) creating or obtaining additional core materials technologies and/or materials that have the capability to serve multiple skin health-related markets; and 3) continuing to improve our core technologies to improve manufacturing operations and reduce costs.

Research and development expense increased to $1,082 for the three months ended September 30, 2025, compared to $970 for the same period in 2024. For the nine months ended September 30, 2025 research and development expense increased to $3,055 compared to $2,746 for the same period in 2024. The increase is due in large part to increased salary and benefit costs in 2025 compared to 2024.

Selling, general and administrative expense increased to $3,069 for the three months ended September 30, 2025, compared to $1,934 for the same period in 2024. For the nine months ended September 30, 2025, selling, general and administrative expense increased to $8,188, compared to $5,321 for the same period in 2024. The increase is due to an increase in legal costs, increase in the allowance for credit loss, increased employee-related costs, severance costs, and costs related to our uplisting to NASDAQ in 2025 when compared to 2024.

For the nine months ended September 30, 2025, other income included $1,234 recognized under the Employee Retention Credit (ERC) program. The Company received $272 of related interest and recognized $194 as interest income, netted against interest expense. The ERC is a refundable payroll tax credit made available under the CARES Act and subsequent legislation. These amounts were recognized in the second quarter of 2025 and were not included in the results for the three months ended September 30, 2025. The ERC payments and related interest did not apply to 2024.

**Inflation**

We believe inflation has had an incremental impact on our costs of operations and financial position to date. However, supplier price increases and wage and benefit inflation, both of which represent a significant component of our costs of operations, could have a material effect on our operations and financial position in 2025 if we are unable to pass through any applicable increases under our present contracts or through to our markets in general. We have begun to increase pricing where possible and continue to adjust our pricing to the extent supported by the markets we are in, and under any contract limitations we may have.

**Liquidity and Capital Resources**

Cash, cash proceeds and use of cash for the nine months ended September 30, 2025, 2024, and year ended December 31, 2024 were:

| | Nine months ended September 30, 2025 | Nine months ended September 30, 2024 | Year ended December 31, 2024 |
|---|---|---|---|
| Total cash | $ 429 | $ 2,925 | $ 1,409 |
| Cash (used in) provided by operating activities | (10,386) | (218) | 1,971 |
| Net cash used in investing activities | (1,693) | (1,965) | (4,558) |
| Net cash provided by financing activities | 11,099 | 3,386 | 2,274 |

Net cash used in operating activities during the nine months ended September 30, 2025 was primarily due to increased accounts receivable, net and decreases in accounts payable and deferred revenue, partially offset by net income, a decrease in inventory and increased accrued expenses. The restatement increased nine-month 2025 net income and reduced the inventory adjustment in the operating cash-flow reconciliation by approximately $909 each, with no change to net cash used in operating activities. Net cash used in investing activities was attributable to expenditures on capital equipment. Net cash provided by financing activities was attributable primarily to increased borrowings.

Our actual future capital requirements in 2025 and beyond will depend on many factors, including customer acceptance of our current and potential future consumer products, APIs sold as ingredients in to the skin health markets, medical diagnostics ingredients, and other engineered materials, applications, and products, continued progress in research and development activities and product testing programs, the magnitude of these activities and programs, and the costs necessary to increase and expand our manufacturing capabilities and to market and sell these products and ingredients. Other important issues that will drive future capital requirements will be the development of new markets and new customers as well as the potential for significant unplanned growth with existing customers. Depending on the success of certain projects, and conditions within the markets supplying labor and materials for capital equipment, we expect that capital spending relating to currently known capital needs for 2025 will be between $0.1 million and $1 million, to be funded by profit from operations, our existing loans and lines of credit, and possible new debt financing. If those projects are delayed or ultimately prove unsuccessful, or if we fail to be able to support the additional cost of funding them in the near term, we expect our capital expenditures may fall below the lower end of the range. Similarly, substantial success in business development projects may cause the actual 2025 capital investment to exceed the top of this range.

**Additional Consideration**

We have federal net operating loss carryforwards for tax purposes of approximately $44 million on December 31, 2024. Because the Company may experience "ownership changes" within the meaning of the U.S. Internal Revenue Code ("IRC") in connection with any future equity offerings, future utilization of this carryforward may be subject to certain limitations as defined by the IRC. If not utilized, $36 million of this loss carryforward will expire between 2025 and 2037. Given changes to the IRC, net operating loss carryforwards generated after January 1, 2018 do not expire, therefore, $7.7 million in net operating losses generated since January 1, 2018 do not expire. We have Illinois net loss deduction carryforwards for tax purposes of approximately $18.5 million on December 31, 2024. Due to the provisions of Illinois Public Act 102-0669 signed November 16, 2021, Illinois net loss deductions expire between 2029 and 2039.

**Off-Balance Sheet Arrangements**

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purposes of raising capital, incurring debt or operating our business. We do not have any off-balance sheet arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

**Safe Harbor Provision**

We want to provide investors with more meaningful and useful information. As a result, this Quarterly Report on Form 10-Q (the "Form 10-Q") contains and incorporates by reference certain "forward-looking statements", as defined in Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements reflect our current expectations of the future results of our operations, performance, and achievements. Forward-looking statements are covered under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We have tried, wherever possible, to identify these statements by using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect management's current beliefs and are based on information now available to it. Accordingly, these statements are subject to certain risks, uncertainties and contingencies that could cause our actual results, performance, or achievements in 2025 and beyond to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and factors include, without limitation: our ability to be consistently profitable despite the losses we have incurred since our incorporation; a decision by a customer to cancel a purchase order or supply agreement in light of our dependence on a limited number of key customers; the terms of our supply agreements with BASF which could trigger a requirement to sell equipment to that customer; our potential inability to obtain working capital when needed on acceptable terms or at all; our ability to obtain materials at costs we can pass through to our customers, including Rare Earth elements, specifically cerium oxide, as well as high purity zinc; uncertain demand for, and acceptance of, our Solésence products, and our advanced materials; our manufacturing capacity and product mix flexibility in light of customer demand; our limited marketing experience, including with our suite of Solésence products; changes in development and distribution relationships; the impact of competitive products and technologies; our dependence on patents and protection of proprietary information; our ability to maintain an appropriate electronic trading venue for our securities; the impact of any potential new governmental regulations, especially any new governmental regulations focusing on the processing, handling, storage or sale of nanomaterials, that could be difficult to respond to or costly to comply with; business interruptions due to unexpected events or public health crises, including viral pandemics such as COVID-19; and the resolution of litigation or other legal proceedings in which we may become involved. In addition, our forward-looking statements could be affected by general industry and market conditions and growth rates. Readers of this Quarterly Report on Form 10-Q should not place undue reliance on any forward-looking statements. Except as required by federal securities laws, we undertake no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We are responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Exchange Act is: (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (b) accumulated and communicated to our management, including our principal executive and principal financial officer, to allow timely decisions regarding required disclosures. It should be noted that in designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and that our management necessarily was required to apply its judgment regarding the design of our disclosure controls and procedures.

In connection with the restatement of the Company's previously issued consolidated financial statements included in this Form 10-Q/A, management, with the participation of our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), reevaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2025. Based on that reevaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of September 30, 2025 because of the material weaknesses in internal control over financial reporting described below. This conclusion supersedes the conclusion that our disclosure controls and procedures were effective as of September 30, 2025 stated in our originally filed Form 10-Q.

A material weakness exists when one or more deficiencies in internal control over financial reporting create a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis.

**Material Weakness in Inventory Costing**

The Company did not design and maintain effective controls over the determination, accumulation, allocation, review and application of labor and manufacturing overhead costs capitalized into inventory.

Specifically, the Company did not establish and maintain effective controls to provide for:

- Identification and capitalization of only eligible inventory acquisition and production costs;
- Allocation of variable production overhead based on actual production activity;
- Adjustment of standard or budgeted cost amounts to ensure those amounts reasonably approximated actual cost;
- Sufficient documentation supporting cost pools, burden rates, allocation methodologies, and significant assumptions; and
- An effective management review of the completeness, accuracy, and appropriateness of the inventory-costing calculation.

These deficiencies, considered in combination, constituted a material weakness that existed as of September 30, 2025. The material weakness resulted in errors affecting inventory, cost of revenue and related financial statement accounts and disclosures. The errors are corrected in the restated unaudited consolidated financial statements included in this Form 10-Q/A. See the restatement disclosures in the notes to those financial statements.

**Material Weakness in Oversight and Review of Financial Reporting and Restatement Activities**

The Company did not design and maintain effective supervisory and review controls over the financial reporting process, including the identification, evaluation, correction, and disclosure of accounting errors and restatements.

Specifically, the Company did not establish and maintain effective controls to:

- Ensure that personnel and advisors responsible for performing, reviewing, and overseeing key accounting and financial reporting controls possess the appropriate level of knowledge and experience, including sufficient SEC reporting, financial reporting, and technical accounting expertise, to effectively execute those controls and address necessary accounting matters and financial statement corrections;
- Ensure that accounting analyses, methodologies, assumptions, allocations, and conclusions used in restatement calculations were sufficiently reviewed before being finalized;
- Verify the completeness, accuracy, consistency, and supportability of adjustments recorded in connection with the restatement;
- Ensure that, following the identification of a restatement, revised financial information is complete and accurate and is subject to appropriate accounting analysis, supporting documentation, and review procedures sufficient to prevent or detect material misstatements; and
- Evaluate whether accounting positions and allocation methodologies were consistently and accurately applied across all affected reporting periods.

As a result of these deficiencies, management did not timely identify errors and unsupported assumptions within the restatement calculations, including errors in the allocation of departmental costs among inventory and cost-of-sales cost pools, inconsistencies in the application of methodologies across reporting periods, and adjustments that lacked sufficient support under accounting principles generally accepted in the United States of America (U.S. GAAP).

The material weakness also impacted the Company's ability to complete and file corrected financial information in a proficient manner. There is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected on a timely basis.

Based on this reassessment and the COSO criteria, management, including our Chief Executive Officer and Chief Financial Officer, concluded that the Company's internal control over financial reporting was not effective as of December 31, 2024 because of the material weaknesses described above. This conclusion supersedes management's conclusion in the originally filed Form 10-Q that internal control over financial reporting was effective as of September 30, 2025.

**Inventory Costing Remediation Activities Subsequent to September 30, 2025**

The Company intends to implement remediation measures that include:

- Reassessing the Company's inventory-costing methodologies and formalizing the policy;
- Evaluating and refining labor and manufacturing overhead cost pools, allocation practices, methodologies, and assumptions;
- Strengthening documentation supporting burden rates, inventory valuation and costing activities;
- Establishing periodic reassessment requirements and comparisons of actual manufacturing costs with capitalized amounts;
- Enhancing management review controls over inventory accounting and valuation, including defined review thresholds and documentation requirements;
- Strengthening technical cost-accounting and U.S. GAAP expertise through training, additional resources and/or external specialists; and
- Increasing oversight by personnel with appropriate accounting and cost-accounting expertise.

**Financial Reporting Oversight and Review Remediation Activities Subsequent to September 30, 2025**

The Company intends to implement remediation measures that include:

- Enhancing executive management oversight of significant accounting matters;
- Enhancing controls over the review and oversight of third-party specialists and advisors engaged to assist with infrequent transactions, including accounting corrections and related financial reporting matters;
- Implementing additional review controls over technical accounting analyses and application of U.S. GAAP, supporting calculations and burden rates, significant estimates and allocations, and quarterly adjustments of inventory to actual costs;
- Increasing the involvement of personnel with appropriate financial reporting, SEC reporting, and technical accounting expertise; and
- Evaluating staffing levels, competencies, and organizational structure within the finance and accounting function to ensure adequate resources are available to support financial reporting obligations.

Neither material weakness will be considered remediated until the applicable controls have been designed and implemented, have operated for a sufficient period, and management has concluded through testing that they are operating effectively. Correction of the financial statement errors does not, by itself, remediate either material weakness.

**Changes in Internal Control Over Financial Reporting**

The Company's management, including the Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), confirm that there was no change in the Company's internal control over financial reporting during the period ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II – OTHER INFORMATION

**Item 6. Exhibits**

| | |
|---|---|
| Exhibit 31.1 | Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act. |
| Exhibit 31.2 | Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act. |
| Exhibit 32 | Certification of the Chief Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350. |
| Exhibit 101 | The following materials from Solésence, Inc.'s Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2025, formatted in XBRL (Extensible Business Reporting Language): (1) the Balance Sheets, (2) the Statements of Operations, (3) the Statements of Shareholders Equity, (4) the Statements of Cash Flows, and (5) the Notes to Unaudited Consolidated Condensed Financial Statements. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**SOLÉSENCE, INC.**

Date: November 10, 2026

By: /s/ KEVIN CURETON
Kevin Cureton
President and Chief Executive Officer
Principal Executive Officer

**SOLÉSENCE, INC.**

Date: November 10, 2026

By: /s/ LAURA RIFFNER
Laura Riffner
Chief Financial Officer
Principal Financial Officer

**Exhibit 31.1**

**Certification of the Chief Executive Officer**
**Pursuant to**
**Rules 13a-14(a) and 15d-14(a) under the Exchange Act**

I, Kevin Cureton, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Solésence, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2026

/s/ KEVIN CURETON
Kevin Cureton
Principal Executive Officer

**Exhibit 31.2**

**Certification of the Principal Financial Officer**
**Pursuant to**
**Rules 13a-14(a) and 15d-14(a) under the Exchange Act**

I, Laura Riffner, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Solésence, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2026

/s/ LAURA RIFFNER
Laura Riffner
Principal Financial Officer

**Exhibit 32**

**Certification Pursuant to 18 U.S.C. Section 1350**
**(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with this quarterly report of Solésence, Inc. (the "Company") on Form 10-Q/A for the third quarter ending September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Cureton, Chief Executive Officer certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 10, 2026

/s/ KEVIN CURETON
Kevin Cureton
President and Chief Executive Officer
Principal Executive Officer

In connection with this quarterly report of Solésence, Inc. (the "Company") on Form 10-Q/A for the third quarter ending September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laura Riffner, Chief Financial Officer certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 10, 2026

/s/ LAURA RIFFNER
Laura Riffner
Chief Financial Officer
Principal Financial Officer