

**Nano Magic Inc.**

844-273-6462

Nanomagic.com

solutions@nanomagic.com

**Quarterly Report**

**For the period ending September 30, 2025 (the "Reporting Period")**

**Outstanding Shares**

The number of shares outstanding of our Common Stock was:

14,596,571 as of 11/21/2025

14,596,571 as of December 31, 2024

**Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

**Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Nano Magic Inc., name change effective 12/31/2022, formerly  
Nano Magic Holdings Inc. by name change effective 3/2/2021, formerly  
Nano Magic Inc. by name change effective 3/2/2020, formerly PEN Inc. (name at incorporation)

Current State and Date of Incorporation or Registration: Delaware, 2/14/2014

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years: None  
Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception: A 10-day suspension order was issued on April 30, 2020 but the SEC vacated that order nunc pro tunc on October 10, 2024.

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None

Address of the issuer's principal executive office: 31601 Research Park Drive, Madison Heights, MI 48071

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

## 2) Security Information

### Transfer Agent

Name: Equinity Trust Company LLC  
Phone: -  
Email: tranfer@issuereirect.com  
Address: 28 Liberty Street, New York, New York 10005

### Publicly Quoted or Traded Securities:

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

|  |              |                        |
|--|--------------|------------------------|
| Trading symbol:                                  | <u>NMGX</u>  |                        |
| Exact title and class of securities outstanding: | Common Stock |                        |
| CUSIP:   | 63010N 105   |                        |
| Par or stated value:                             | \$0.0001     |                        |
| Total shares authorized:                         | 30,000,000   | as of date: 11/21/2025 |
| Total shares outstanding:                        | 14,596,571   | as of date: 11/21/2025 |
| Total number of shareholders of record:          | 445          | as of date: 11/21/2025 |

### Other classes of authorized or outstanding equity securities that do not have a trading symbol:

|   |                 |             |
|---|-----------------|-------------|
| Exact title and class of the security:  | Preferred Stock |             |
| Par or stated value:                    | \$0.0001        |             |
| Total shares authorized:                | 100,000         | as of date: |
| Total shares outstanding:               | 0               | as of date: |
| Total number of shareholders of record: | 0               | as of date: |

### Security Description:

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

1. For common equity, describe any dividend, voting and preemption rights.

The rights of each share of common are the same with respect to dividends, distributions and rights upon liquidation. Holders of common stock each have one vote per share in the election of directors and other matters submitted to a vote of the stockholders.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

The preferred stock may be issued in one or more series. The Company's board of directors are authorized to issue the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

**3) Issuance History**

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

**A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

| Shares Outstanding <u>Opening Balance</u> :<br>Date 12/31/2023<br>Common: 13,425,342<br>Preferred: 0 |  |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |   |   |   |   |                                 |
|--|--|--|--|---|---|---|---|---|---------------------------------|
| Date of Transaction  | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities  | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of | Individual/ Entity Shares were issued to.<br><br>***You must disclose the control person(s) | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |

|  |              |         |              |         | issuance ?<br>(Yes/No) | for any entities listed.                         | Services Provided       |            |             |
|--|--------------|---------|--------------|---------|------------------------|--|-------------------------|------------|-------------|
| 03/07/2024                                 | New issuance | 6,667   | Common stock | 5,000   | No                     | Billy Clement                                    | Cash                    | Restricted | 4(2), R 506 |
| 03/14/2024                                 | New issuance | 66,667  | Common stock | 50,000  | No                     | Greg Goodrich                                    | Cash                    | Restricted | 4(2), R 506 |
| 04/17/2024                                 | New issuance | 33,333  | Common stock | 25,000  | No                     | Ron Klein  | Cash                    | Restricted | 4(2), R 506 |
| 04/24/2024                                 | New issuance | 33,333  | Common stock | 25,000  | No                     | Casey Hurbis                                     | Cash                    | Restricted | 4(2), R 506 |
| 06/12/2024                                 | New issuance | 36,667  | Common stock | 27,500  | Yes                    | MSB Family Trust<br><br>Michael Blechtman        | Cash                    | Restricted | 4(2), R 506 |
| 06/13/2024                                 | New issuance | 26,667  | Common stock | 20,000  | Yes                    | Josh Smith                                       | Cash                    | Restricted | 4(2), R 506 |
| 06/26/2024                                 | New issuance | 13,333  | Common stock | 10,000  | Yes                    | Clark Bushman                                    | Cash                    | Restricted | 4(2), R 506 |
| 06/27/2024                                 | New issuance | 66,667  | Common stock | 50,000  | Yes                    | Contrarian Opportunity Fund LP<br><br>Marc Eller | Cash                    | Restricted | 4(2), R 506 |
| 07/18/2024                                 | New issuance | 33,333  | Common stock | 25,000  | Yes                    | Ivy Greener                                      | Cash                    | Restricted | 4(2), R 506 |
| 07/18/2024                                 | New issuance | 133,333 | Common stock | 100,000 | Yes                    | Steven Stone                                     | Cash                    | Restricted | 4(2), R 506 |
| 08/05/2024                                 | New issuance | 133,333 | Common stock | 100,000 | Yes                    | Steve Gantz                                      | Cash                    | Restricted | 4(2), R 506 |
| 08/31/2024                                 | New Issuance | 133,333 | Common stock | 100,000 | Yes                    | BQ Holdings II LLC<br><br>Rick Shounia           | Cash                    | Restricted | 4(2), R 506 |
| 08/26/2024                                 | New issuance | 266,666 | Common stock | 200,000 | No                     | Raj Vattikuti                                    | Cash                    | Restricted | 4(2), R 506 |
| 12/23/2024                                 | New issuance | 187,897 | Common stock | 140,923 | No                     | Magic Research LLC,<br><br>Nikolaos Moschouris   | Partial payment of rent | Restricted | 4(2), R 506 |
| Shares Outstanding on Date of This Report: |              |         |              |         |                        |  |                         |            |             |
| <u>Ending Balance:</u>                     |              |         |              |         |                        |  |                         |            |             |
| Date 11/21/2025 Common: 14,596,571         |              |         |              |         |                        |  |                         |            |             |

|              |  |
|--------------|--|
| Preferred: 0 |  |
|              |  |

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

## B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

| Date of Note Issuance | Principal Amount at Issuance (\$) | Outstanding Balance (\$) (includes accrued interest) | Maturity Date | Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares) | # Shares Converted to Date | # of Potential Shares to be Issued Upon Conversion <sup>5</sup> | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|-----------------------------------|--|---------------|---|----------------------------|---|--|--|
| 02/14/2022            | 50,000                            | \$63,166.67  | 3/31/2026     | Balance due converted at price of \$1.75 per share  | 0                          | 36,095  | Strauss  | Loan   |
| 10/06/2022            | 25,000                            | \$28,188.89  | 3/31/2025     | same  | 0                          | 16,108  | Contrarian Opportunity Fund L.P.<br>Marc Eller   | Loan   |
| 6/14/2023             | 50,000                            | \$59,844.44  | 10/13/2024    | same  |                            | 34,197  | Contrarian Opportunity Fund L.P.<br>Marc Eller   | Loan   |
| 1/16/2025             | 174,507.97                        | \$213,638.42   | 2/28/2027     | Balance due converted at price of \$1 per share   | 0                          | 213,638   | Bernice Berman   | New loan and roll-over of prior loan             |
| 1/16/2025             | 85,543.01                         | \$102,732.81   | 2/28/2027     | same  | 0                          | 102,733   | Bernice Berman   | New loan and roll-over of prior loan             |
| 1/21/2025             | 83,958.11                         | \$96,926.58  | 2/28/2027     | same  | 0                          | 96,927  | Norm Pappas  | New loan and roll-over of prior loan             |
| 1/21/2025             | 82,345.21                         | \$94,099.58  | 2/28/2027     | same  | 0                          | 94,100  | Norm Pappas  | New loan and roll-over of prior loan             |
| 1/22/2025             | 15,000.00                         | \$16,286.99  | 2/28/2027     | same  | 0                          | 16,287  | Scott Rickert  | Loan   |
| 1/22/2025             | 25,000.00                         | \$27,144.98  | 2/28/2027     | same  | 0                          | 27,145  | Steve Gantz  | Loan   |
| 1/29/2025             | 50,000                            | \$54,194.06  | 2/28/2027     | Same  | 0                          | 54,194  | Robert Schostak  | Loan   |

<sup>5</sup> The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

|           |            |              |           |      |   |         |  |                                      |
|-----------|------------|--------------|-----------|------|---|---------|--|--------------------------------------|
| 1/30/2025 | 50,000.00  | \$54,180.37  | 2/28/2027 | same | 0 | 54,180  | Jennifer Voorhees                              | Loan                                 |
| 1/30/2025 | 83,759.68  | \$98,902.38  | 2/28/2027 | same | 0 | 98,902  | Lindsay Gross                                  | New loan and roll-over of prior loan |
| 1/30/2025 | 41,841.67  | \$49,051.05  | 2/28/2027 | same | 0 | 49,051  | Lindsay Gross                                  | New loan and roll-over of prior loan |
| 2/6/2025  | 10,000.00  | \$10,810.27  | 2/28/2027 | same | 0 | 10,810  | Clark Bushman                                  | Loan                                 |
| 2/6/2025  | 20,000.00  | \$21,620.55  | 2/28/2027 | same | 0 | 21,621  | Casey Hurbis                                   | Loan                                 |
| 2/12/2025 | 165,000.00 | \$187,598.28 | 2/28/2027 | same | 0 | 187,598 | Michael Green                                  | New loan and roll-over of prior loan |
| 2/12/2025 | 10,000.00  | \$10,793.84  | 2/28/2027 | same | 0 | 10,794  | Josh Smith                                     | Loan                                 |
| 2/12/2025 | 76,924.92  | \$83,657.73  | 2/28/2027 | same | 0 | 83,658  | Dan Kubicz                                     | New loan and roll-over of prior loan |
| 2/18/2025 | 77,087.14  | \$83,844.47  | 2/28/2027 | same | 0 | 83,844  | Ivy Greaner                                    | New loan and roll-over of prior loan |
| 2/24/2025 | 50,000.00  | \$53,675.80  | 2/28/2027 | same | 0 | 53,676  | Todd Lunsford                                  | Loan                                 |
| 3/6/2025  | 76,860.20  | \$82,221.18  | 2/28/2027 | same | 0 | 82,221  | Bruce Kaye                                     | New loan and roll-over of prior loan |
| 3/7/2025  | 77,260.23  | \$82,731.61  | 2/28/2027 | same | 0 | 82,732  | MJJ Investments                                | New loan and roll-over of prior loan |
| 3/7/2025  | 100,000.00 | \$107,159.82 | 2/28/2027 | same | 0 | 107,160 | Michael Schostak<br>Raj Vattikuti              | Loan                                 |
| 3/31/2025 | 30,354.84  | \$37,739.25  | 2/28/2027 | same | 0 | 37,739  | Ronald Berman                                  | Roll-over of prior loan              |
| 3/31/2025 | 26,911.29  | \$30,315.19  | 2/28/2027 | same | 0 | 30,315  | Michael Levey                                  | Roll-over of prior loan              |
| 4/24/2025 | \$25,000   | 25,624.99    | 2/28/2027 | same | 0 | 25,625  | Contrarian Opportunity Fund L.P.<br>Marc Eller | Loan                                 |
| 6/24/2025 | \$30,000   | \$31,000     | 2/28/2027 | same | 0 | 31,000  | Waleed Haddad                                  | Loan                                 |
| 7/15/2025 | \$50,000   | \$51,666.67  | 2/28/2027 | same | 0 | 51,667  | Investors Ltd<br>Robert Levin                  | Loan                                 |
| 7/23/2025 | \$25,000   | \$25,666.67  | 2/28/2027 | same | 0 | 25,667  | Josh Smith                                     | Loan                                 |
| 7/29/2025 | \$50,000   | \$51,333.33  | 2/28/2027 | same | 0 | 51,333  | Robert Schostak                                | Loan                                 |
| 9/29/2025 | \$50,000   | \$50,666.67  | 2/28/2027 | same | 0 | 50,667  | Robert Schostak                                | Loan                                 |
| 10/8/2025 | \$150,000  | \$152,000.00 | 2/28/2027 | same | 0 | 152,000 | Raj Vattikuti                                  | Loan                                 |
| 11/3/2025 | \$150,000  | \$150,000.00 | 2/28/2027 | same | 0 | 150,000 | Raj Vattikuti                                  | Loan                                 |
| 11/3/2025 | \$50,000   | \$50,000.00  | 2/28/2027 | same | 0 | 50,000  | Robert Schostak                                | Loan                                 |

**Total Outstanding Balance: \$2,288,473.54**

**Total Shares:** 2,273,684

Interest calculated through November 30, 2025

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Nano Magic Inc., a Delaware corporation ("we", "us", "our", "Nano Magic" or the "Company"), formerly Nano Magic Holdings Inc., develops, commercializes and markets nanotechnology powered consumer and industrial cleaners and coatings to clean, protect, and enhance products for peak performance. Consumer products include lens and screen cleaners and coatings, anti-fog solutions, and household and automotive cleaners and protective coatings sold direct-to-consumer and in big box retail. Nano Magic also sells branded and private label cleaners and coatings into the optical, safety, and industrial channels. Our focus is to expand our direct-to-consumer sales through e-commerce and to grow sales to big box retailers. We continue to sell our consumer products directly to opticians and ophthalmologists and small optical retailers.

- B. List any subsidiaries, parent company, or affiliated companies.

Effective January 31, 2025 we sold our remaining stock in Applied Nanotech, Inc. and we have no subsidiaries.

- C. Describe the issuers' principal products or services.

Our revenue is based on the retail and institutional sale of specialty products utilizing nanotechnology to deliver unique performance attributes. We work to understand surfaces at the nano scale, and our products for surfaces can be used on a wide variety of substrates. Our consumer products are sold as liquids and as wet and dry towelettes. Industrial coating products are typically sold in liquid form enabling application by a variety of common commercial techniques. We rely on intellectual property including trade secret formulations to protect our proprietary technology.

We have multiple product technology platforms that offer solutions to common surface problems such as ease of cleaning, preventing fogging, preventing accumulation of dirt or grime, improving resistance to scuffing and wear and surface protection. All our products have some "nano" characteristic about them – whether it is being active at the molecular level, incorporation of submicron-particles, or creating very thin, self-assembling coatings that are 20 nanometers or less in thickness.

Our consumer products are primarily customized cleaning and protection solutions. With respect to our consumer products, we strive to create segment leading brands for solutions that are sustainable, of high quality, and that are both easy and safe to apply. We emphasize convenience, such as our product that combines antifog and cleaning into one product for convenience for our users. This, and other products can be used on eyeglasses, safety goggles and glasses, extreme sport glasses, goggles and visors. Our solutions are also packaged for use on electronic screens, windows, mirrors, shower doors, and other similar clear surfaces along with the cleaning of everyday household surfaces. We have also expanded into the auto care sector with Force Field® windshield protection. This product creates a non-stick, super water repellent protective barrier — like a force field — to protect the windshield against rain, bugs, and salt. The coating solution is easy-to-apply and improves visibility and safety while driving.

Industrial surface treatment products include a family of coating liquids that create nano-thin, strongly-bound, invisible, "forcefield"-like coatings on glass and ceramic surfaces and a series of clear coatings for plastics incorporating submicron sized particles to improve abrasion resistance and wear resistance without sacrificing transparency. We manufacture our formulations internally to protect our technology and strive to maintain the highest quality for the products that we and our commercial partners bring to the marketplace.

## 5) Issuer's Facilities

Nano Magic is headquartered in a 29,220-square foot facility in Madison Heights, Michigan that houses its administrative offices as well as its R&D lab, manufacturing, warehousing, and distribution operations. The facility was built-out to support our specific needs. We own our production and lab machinery and equipment.

Our lease started on October 1, 2020. The lease has an initial term of seven years with a renewal option at the end of the initial term for an additional 3-year term, and a second renewal option thereafter for an additional 5-year term. The renewal term is not included in the calculation of the operating lease liability. As the sole tenant, we are responsible for all taxes, ordinary maintenance, snow removal and other ordinary operating expenses. Rent is \$6.50 per square foot, increasing by \$0.25 per year. See our Financial Statements, Note 5 Operating Lease, for a description of warrants issued to the owners of Magic Research LLC in connection with this lease. The fair value of these warrants totaling \$311,718 were recorded as initial direct costs of obtaining the lease and are included in right-of-use assets on the accompanying balance sheet. See our Financial Statements Note 6, Related Party Transactions, for information about roles in management and economic participation by our CEO and several other directors in the landlord. Under lease amendments, for the period from October 2020 through the present we have paid cash to cover the cost of the mortgage and any leases for fixtures, but pay the balance of the rent by issuing stock. See our Financial Statements, Note 9 Subsequent Events describing recent agreements with the landlord.

## 6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

| Individual Name<br>(First, Last)<br>or<br>Entity Name<br>(Include names of control<br>person(s) if a corporate entity) | Position/Co<br>mpany<br>Affiliation<br>(ex: CEO, 5%<br>Control person) | City and State<br>(Include Country if<br>outside U.S.) | Number of Shares<br>Owned<br>(List common, preferred,<br>warrants and options<br>separately) | Class of Shares<br>Owned | Percentage of<br>Class of<br>Shares<br>Owned<br>(undiluted) |
|--|--|--|--|--------------------------|---|
| Tom J. Berman  | CEO,<br>Director,<br>5% holder   | Madison Hts., MI                                       | Stock 153,335<br>Warrants 7,500<br>Options 2,544,228<br>See Note 1                           | Common Stock             | <5%<br>See Note 1   |
| Ronald J. Berman   | Director,<br>5% holder   | Madison Hts., MI                                       | Stock 583,887<br>Warrants 7,500<br>Options 397,500<br>See Note 1                             | Common Stock             | <5%<br>See Note 1   |
| Miles Gatland  | Director   | Madison Hts., MI                                       | Stock 222,840  | Common Stock             | <5%   |

|                                     |                        |                  |  |              |                   |
|-------------------------------------|------------------------|------------------|--|--------------|-------------------|
|                                     |                        |                  | Warrants 70,000<br>Options 100,000<br>See Note 1 |              |                   |
| Casey Hurbis                        | Director               | Madison Hts., MI | Stock 33,333<br>Options 58,333                   | Common Stock | <5%               |
| Jeanne M Rickert                    | Director               | Key West, FL     | Stock 131,026<br>Options 190,000<br>See Note 2   | Common Stock | <5%               |
| Scott E Rickert                     | Director,<br>5% holder | Key West, FL     | Stock 139,276<br>Options 160,000<br>See Note 2   | Common Stock | 12%<br>See Note 2 |
| Leandro Vera                        | CFO                    | Madison Hts., MI | Options 280,000                                  | Common Stock | <5%               |
| PEN Comeback LLC                    | 5% holder              | Madison Hts., MI | Stock 1,275,366<br>Warrants 2,074,101            | Common Stock | 9%                |
| PEN Comeback 2 LLC                  | 5% holder              | Madison Hts., MI | Stock 864,781<br>Warrants 1,977,889              | Common Stock | 6%                |
| Magic Growth LLC                    | 5% holder              | Madison Hts., MI | Stock 980,771<br>Warrants 980,725                | Common Stock | 7%                |
| Magic Growth 2 LLC                  | 5% holder              | Madison Hts., MI | Stock 1,154,462<br>Warrants 1,154,450            | Common Stock | 8%                |
| Magic Growth 3 LLC                  | 5% holder              | Madison Hts., MI | Stock 741,669<br>Warrants 741,585                | Common Stock | 5%                |
| Rickert Family, Limited Partnership | 5% holder              | Key West, FL     | Stock 1,577,832                                  | Common Stock | 10%               |

Note 1: Tom J. Berman and Ronald J Berman control the five PEN Comeback and Magic Growth entities, so the stock ownership of those five entities is included in the final column showing percentage owned/controlled by them. Tom J. Berman, Ronald J. Berman and Miles Gatland own interests in some of the five entities. Their indirect ownership is not included in the number of shares owned as the voting and disposition of stock and warrants owned by the entities is controlled by Tom Berman and Ron Berman. When the entity ownership is included for them in the final column, Tom J. Berman controls 35% and Ronald J. Berman controls 38%.

Note 2: Scott E Rickert controls Rickert Family, Limited Partnership, so its stock ownership is included in the final column showing the percentage owned/controlled by him. Scott E Rickert and Jeanne M Rickert own an interest in the partnership but their indirect ownership is not included in the number of shares owned as the voting and disposition of stock owned by the entity is reflected in the final column.

Some of our directors also hold convertible notes. See separate table enumerating those holdings.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## **8) Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

If any updates are needed to your public company profile, update your company profile.

### Securities Counsel

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Address 2: 1700 Palm Beach Lakes Blvd., Suite 820, West Palm Beach, FL 33401  
  
Phone: (561) 514-0936  
Email: Laura Anthony <LAnthony@alclaw.com>

### Accountant or Auditor

Name: None

Investor Relations      None

*All other means of Investor Communication:*

X (Twitter):                [@purplenanomagic](https://twitter.com/purplenanomagic)  
Discord:                    n/a  
LinkedIn                    [www.linkedin.com/company/nano-magic/](https://www.linkedin.com/company/nano-magic/)  
Facebook:                 [www.facebook.com/purplenanomagic](https://www.facebook.com/purplenanomagic)  
[Other ]                    [@purplenanomagic](https://twitter.com/purplenanomagic)

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:                        none

## 9)      **Disclosure & Financial Information**

### NANO MAGIC, INC. STATEMENTS OF OPERATIONS

|   | For the Three Months Ended |             | For the Nine Months Ended |              |
|---|----------------------------|-------------|---------------------------|--------------|
|   | September 30,              |             | September 30,             |              |
|   | 2025                       | 2024        | 2025                      | 2024         |
| NET REVENUES                                | \$ 530,528                 | \$ 640,271  | \$ 1,732,687              | \$ 1,837,005 |
| COST OF SALES                               | 616,740                    | 616,120     | 1,831,782                 | 1,790,072    |
| GROSS PROFIT                                | (86,212)                   | 24,151      | (99,094)                  | 46,933       |
| OPERATING EXPENSES:                         |                            |             |                           |              |
| Selling and marketing expenses              | 64,658                     | 83,946      | \$ 203,127                | 215,748      |
| Salaries, wages and related benefits        | 176,202                    | 242,945     | \$ 598,380                | 676,410      |
| Stock compensation expense                  | 140,003                    | 771,495     | \$ 573,073                | 787,830      |
| Research and development                    | 7,718                      | 23,649      | \$ 35,763                 | 65,567       |
| Professional fees                           | 109,655                    | 147,258     | \$ 325,712                | 541,708      |
| General and administrative expenses         | 208,548                    | 206,497     | \$ 751,756                | 734,216      |
| Total Operating Expense                     | 706,784                    | 1,475,790   | 2,487,811                 | 3,021,479    |
| LOSS FROM OPERATIONS                        | (792,996)                  | (1,451,639) | (2,586,905)               | (2,974,546)  |
| OTHER (EXPENSE) INCOME                      |                            |             |                           |              |
| (Loss) Income from investment in subsidiary | -                          | (2,155)     | \$ -                      | 7,969        |
| Interest expense                            | (38,997)                   | (12,211)    | \$ (76,841)               | (37,676)     |
| Loss from sale of note receivable           | -                          | -           | \$ -                      | (40,164)     |
| Gain from sale of interest in subsidiary    | -                          | 56,067      | \$ (26,733)               | 56,067       |
| Interest and other income                   | -                          | 845         | \$ -                      | 8,385        |
| Total Other (Expense) Income                | (38,997)                   | 42,546      | (103,574)                 | (5,419)      |
| NET LOSS                                    | (831,993)                  | (1,409,093) | (2,690,480)               | (2,979,965)  |
| NET LOSS PER COMMON SHARE                   |                            |             |                           |              |
| Basic                                       | \$ (0.06)                  | \$ (0.10)   | \$ (0.18)                 | \$ (0.22)    |
| Diluted                                     | \$ (0.06)                  | \$ (0.10)   | \$ (0.18)                 | \$ (0.22)    |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: |                            |             |                           |              |
| Basic                                       | 14,596,571                 | 14,028,240  | 14,596,571                | 13,679,848   |
| Diluted                                     | 14,596,571                 | 14,028,240  | 14,596,571                | 13,679,848   |

See accompanying notes to condensed financial statements.

**BALANCE SHEETS**

|   | <b>September 30,</b> | <b>December 31</b> |
|---|----------------------|--------------------|
|   | <b>2025</b>          | <b>2024</b>        |
| <b>ASSETS</b>   |                      |                    |
| <b>CURRENT ASSETS:</b>  |                      |                    |
| Cash  | \$ 61,071            | \$ 23,309          |
| Accounts receivable, net of allowance for credit losses of \$115,922 and \$210,309 at September 30, 2025 and December 31, 2024, respectively  | 89,449               | 68,332             |
| Inventory, net  | 565,977              | 719,245            |
| Prepaid expenses  | 108,300              | 22,389             |
| Current portion of note receivable  | -                    | -                  |
| Total Current Assets  | 824,797              | 833,275            |
| Operating lease right-of-use assets   | 460,685              | 623,289            |
| Property, plant and equipment, net  | 318,934              | 362,081            |
| Non-marketable equity investment in subsidiary  | -                    | 76,733             |
| Total Assets  | \$ 1,604,416         | \$ 1,895,378       |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                      |                    |
| <b>CURRENT LIABILITIES:</b>   |                      |                    |
| Accounts payable  | \$ 1,760,958         | \$ 987,312         |
| Accounts payable - related parties  | 18,307               | 29,000             |
| Accrued expenses and other current liabilities  | 343,850              | 338,028            |
| Current portion of notes payable  | 595,001              | 790,000            |
| Current portion of notes payable from related party   | 25,000               | 25,000             |
| Advances from related parties   | 42,887               | 42,887             |
| Current portion of operating lease liabilities  | 202,422              | 185,179            |
| Total Current Liabilities   | 2,988,425            | 2,397,406          |
| Notes Payable, net of current portion   | 1,437,354            | 50,000             |
| Notes Payable - related parties, net of current portion   | -                    | -                  |
| Operating lease liabilities, net of current portion   | 208,843              | 360,772            |
| Total Liabilities   | 4,634,623            | 2,808,178          |
| Commitments and Contingencies (See Note 9)  |                      |                    |
| <b>STOCKHOLDERS' EQUITY:</b>  |                      |                    |
| Preferred stock, \$0.0001 par value, 100,000 shares authorized; no shares issued and outstanding  | -                    | -                  |
| Common stock: \$0.0001 par value, 30,000,000 shares authorized; 14,596,571 issued and outstanding at September 30, 2025 and December 31, 2024 | 1,459                | 1,459              |
| Additional paid-in capital  | 19,114,886           | 18,541,813         |
| Accumulated deficit   | (22,146,552)         | (19,456,072)       |
| Total Stockholders' Equity  | (3,030,207)          | (912,800)          |
| Total Liabilities and Stockholders' Equity  | \$ 1,604,416         | \$ 1,895,378       |

See accompanying notes to condensed financial statements.

NANO MAGIC, INC.  
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

|   | Class A Common Stock |              | Additional<br>Paid-in Capital | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity (Deficit) |
|---|----------------------|--------------|-------------------------------|------------------------|--|
|   | Shares               | Amount       |                               |                        |  |
| <b>Balance, June 30, 2025</b>                       | 14,596,571           | \$ 1,459     | \$ 18,974,883                 | \$ (21,314,559)        | (2,338,217)                                |
| Stock issued for services                           | -                    | -            | 35,998                        | -                      | 35,998                                     |
| Stock-based compensation                            | -                    | -            | 104,005                       | -                      | 104,005                                    |
| Net loss  | -                    | -            | -                             | (831,993)              | (831,993)                                  |
| <b>Balance, September 30, 2025</b>                  | <u>14,596,571</u>    | <u>1,459</u> | <u>19,114,886</u>             | <u>(22,146,552)</u>    | <u>(3,030,207)</u>                         |
| <b>Balance, June 30, 2024</b>                       | 13,708,676           | \$ 1,371     | \$ 16,539,674                 | \$ (16,573,344)        | (32,299)                                   |
| Common stock issued for cash, net of issuance costs | 699,999              | 70           | 524,930                       | -                      | 525,000                                    |
| Restricted stock issued for services                | -                    | -            | 5,691                         | -                      | 5,691                                      |
| Stock-based compensation                            | -                    | -            | 765,804                       | -                      | 765,804                                    |
| Net loss  | -                    | -            | -                             | (1,409,093)            | (1,409,093)                                |
| <b>Balance, September 30, 2024</b>                  | <u>14,408,675</u>    | <u>1,441</u> | <u>17,836,099</u>             | <u>(17,982,437)</u>    | <u>(144,897)</u>                           |

NANO MAGIC, INC.  
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

|   | Class A Common Stock |              | Additional<br>Paid-in Capital | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity (Deficit) |
|---|----------------------|--------------|-------------------------------|------------------------|--|
|   | Shares               | Amount       |                               |                        |  |
| <b>Balance, December 31, 2024</b>                   | 14,596,571           | \$ 1,459     | \$ 18,541,813                 | \$ (19,456,072)        | (912,800)                                  |
| Stock issued for services                           | -                    | -            | 107,993                       | -                      | 107,993                                    |
| Stock-based compensation                            | -                    | -            | 465,080                       | -                      | 465,080                                    |
| Net loss  | -                    | -            | -                             | (2,690,480)            | (2,690,480)                                |
| <b>Balance, September 30, 2025</b>                  | <u>14,596,571</u>    | <u>1,459</u> | <u>19,114,886</u>             | <u>(22,146,552)</u>    | <u>(3,030,207)</u>                         |
| <b>Balance, December 31, 2023</b>                   | 13,425,342           | \$ 1,342     | \$ 16,310,868                 | \$ (15,002,472)        | 1,309,738                                  |
| Common stock issued for cash, net of issuance costs | 983,333              | 99           | 737,401                       | -                      | 737,500                                    |
| Restricted stock issued for services                | -                    | -            | 17,072                        | -                      | 17,072                                     |
| Stock-based compensation                            | -                    | -            | 770,758                       | -                      | 770,758                                    |
| Net loss  | -                    | -            | -                             | (2,979,965)            | (2,979,965)                                |
| <b>Balance, September 30, 2024</b>                  | <u>14,408,675</u>    | <u>1,441</u> | <u>17,836,099</u>             | <u>(17,982,437)</u>    | <u>(144,897)</u>                           |

See accompanying notes to condensed financial statements.

**NANO MAGIC, INC.**  
**STATEMENTS OF CASH FLOWS**

|   | <b>For the Nine Months Ended</b> |                    |
|---|----------------------------------|--------------------|
|   | <b>September 30,</b>             |                    |
|   | <b>2025</b>                      | <b>2024</b>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                                  |                    |
| Net loss  | \$ (2,690,480)                   | \$ (2,979,965)     |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                                  |                    |
| Change in inventory obsolescence reserve  | -                                | 92,424             |
| Depreciation and amortization expense   | 53,416                           | 80,865             |
| Bad debt expense  | -                                | 98,619             |
| Stock issued for services   | 107,993                          | 17,072             |
| Stock-based compensation  | 465,080                          | 770,758            |
| Income from investment in subsidiary  | -                                | (7,969)            |
| Loss (gain) on sale of non-marketable investment in subsidiary                  | 26,733                           | (56,067)           |
| Change in operating assets and liabilities:                                     |                                  |                    |
| Accounts receivable   | (21,117)                         | (138,371)          |
| Inventory   | 153,268                          | 37,391             |
| Prepaid expenses and contract assets  | (85,911)                         | 30,140             |
| Accounts payable  | 773,646                          | 90,571             |
| Accounts payable - related party  | (10,693)                         | 101,882            |
| Operating lease liabilities   | 27,918                           | 36,501             |
| Accrued expenses  | 48,942                           | 192,096            |
| Total adjustments   | <u>1,539,275</u>                 | <u>1,345,912</u>   |
| <b>NET CASH USED BY OPERATING ACTIVITIES</b>                                    | <u>(1,151,204)</u>               | <u>(1,634,053)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                                  |                    |
| Proceeds from note receivable   | -                                | 300,000            |
| Proceeds from sale of non-marketable investment in subsidiary                   | 50,000                           | 100,000            |
| Purchases of property and equipment   | <u>(10,269)</u>                  | <u>(16,964)</u>    |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                                | <u>39,731</u>                    | <u>383,036</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                                  |                    |
| Proceeds from sale of common stock and warrants                                 | -                                | 737,500            |
| Proceeds from issuance of convertible debt                                      | 1,149,235                        | 50,000             |
| Repayment of note payable   | -                                | (10,000)           |
| Repayment of finance leases   | <u>-</u>                         | <u>(15,257)</u>    |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                                | <u>1,149,235</u>                 | <u>762,243</u>     |
| <b>NET DECREASE IN CASH</b>   | 37,761                           | (488,774)          |
| CASH, beginning of period   | <u>23,309</u>                    | <u>527,462</u>     |
| CASH, end of period   | <u>\$ 61,071</u>                 | <u>\$ 38,688</u>   |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                         |                                  |                    |
| Cash paid during the period for interest  | \$ -                             | \$ 2,112           |

See accompanying notes to condensed financial statements.

**NANO MAGIC INC.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**  
**(unaudited)**

**NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION**

**Organization**

Nano Magic Inc. (“we”, “us”, “our”, “Nano Magic” or the “Company”), a Delaware corporation, develops and sells a portfolio of nano-layer coatings, nano-based cleaners, and nano-composite products based on its proprietary technology

**Basis of Presentation**

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for interim financial information. Accordingly, they do not include all the information and disclosures required by US GAAP for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed financial statements of the Company as of September 30, 2025 and for the three and nine months ended September 30, 2025 and 2024. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the operating results for the full year ending December 31, 2025 or any other period.

**Going Concern**

These unaudited condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the unaudited condensed financial statements, the Company had losses from operations and net cash used by operations of \$2,690,480 and \$1,151,204 for the nine months ended September 30, 2025 and a loss from operations of \$2,974,546 and cash used by operations of \$1,634,053 for the nine months ended September 30, 2024. Moreover, at September 30, 2025, the Company had a working capital deficit of \$2,163,629 as compared to a working capital deficit of \$1,564,131 at December 31, 2024. These factors raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that these unaudited condensed financial statements are issued. Management cannot provide assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional capital. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. They do not include any adjustments related to the recoverability and/or classification of the recorded asset amounts and/or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

**Reclassifications**

Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the current period. These reclassifications had no effect on the previously reported net loss.

**NOTE 2 – INVENTORY**

At September 30, 2025 and December 31, 2024, inventory consisted of the following:

|                  | September 30,<br>2025 | December 31, 2024 |
|------------------|-----------------------|-------------------|
| Raw materials    | \$ 574,648            | \$ 682,909        |
| Work-in-progress | 180,938               | 208,331           |

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Finished goods                 | 214,337           | 231,951           |
|                                | <u>969,923</u>    | <u>1,123,191</u>  |
| Less: reserve for obsolescence | (403,946)         | (403,946)         |
| Inventory, net                 | <u>\$ 565,977</u> | <u>\$ 719,245</u> |

### NOTE 3 – INVESTMENT IN SUBSIDIARY

During the three-month period ended September 30, 2024, The Company sold a portion of its investment in ANI for \$100,000 in cash, reducing its ownership from 30% to 25%. The sale resulted in a gain of \$56,067 and increased the investment account. At December 31, 2024, the non-marketable investment in subsidiary was \$76,733 included in non-current assets. In January 2025, effective at month end, the Company sold its remaining equity interest in Applied Nanotech Inc. for \$50,000. The Company recorded a \$26,733 loss on this sale. Prior to the sale, the Company accounted for its ownership interest in ANI by the equity method of accounting under which the Company's share of the net income (loss) of ANI was recognized as income (loss) in the Company's statement of operations. For the three- and nine-month periods ended September 30, 2025, the Company recorded income from the investment in subsidiary of \$0 and \$0. For the three and nine-month periods ended September 30, 2024, the Company recorded a loss from the investment in subsidiary of \$21,267 and income of \$19,671, respectively.

For the three- and nine-month periods ended September 30, 2024, we sold portions of the note receivable from ANI to various parties for total cash proceeds of \$0 and \$300,000, respectively, incurring a loss on the sale of the note of \$41,782. The losses were recorded in other expense in the statement of operations. As a result, at September 30, 2024, the note receivable had a balance of \$0; \$0 was included in current assets at September 30, 2024.

### NOTE 4 – NOTES PAYABLE

On January 7, 2022, the Company sold to one investor a \$100,000 convertible note. In January, 2025, that investor exchanged the outstanding note and made a further investment of \$38,202, resulting in the issuance of a new "Exchange Note" in the principal amount of \$174,507.97. Exchange Notes all mature on February 27, 2027, bear interest at the annual rate of 10% and are convertible into common stock at a price of \$1.00 per share at the option of the holder. If the Company sells \$4.0 million (or more) of common stock in a single transaction or series of related transactions, then principal and accrued interest on Exchange Notes will automatically convert into common stock at a conversion price equal to the lower of \$1.00 or 80% of the price paid in the equity raise.

On January 26, 2022, and January 31, 2022, the Company sold two \$50,000 convertible notes to two different investors. In January 2025, the investor holding one of those notes made a further investment of \$19,728, resulting in the issuance of an Exchange Note in the amount of \$85,543.01. The other note is due March 31, 2026 and bears interest at 8% per annum, payable semi-annually in cash. That note is convertible at any time at the option of the holder into shares of common stock at a conversion price of \$1.75 per share.

On July 27, 2022, the Company sold two convertible notes, one for \$50,000 and one for \$25,000. The \$25,000 note is to Mr. Ron Berman, a Related Party; in March 2025, that note was exchanged for an Exchange Note in the principal amount of \$30,354.84. The holder of the \$50,000 note exchanged it in January 2025 and made an additional investment of \$19,728, resulting in the issuance of an Exchange Note in the amount of \$85,543.01. On August 22, 2022, the Company sold a \$25,000 convertible promissory note. In January 2025, the investor holding that note made a further investment of \$10,525, resulting in the issuance of an Exchange Note in the amount of \$41,846.67.

On October 26, 2022, the Company sold to an investor a \$25,000 convertible promissory note due October 31, 2023. Issued at face value, the note bears interest at 8% per annum, payable semi-annually in cash. The note is convertible at any time at the option of the holder into shares of common stock at a conversion price of \$1.75 per share. On October 18, 2023, the Company and the holder extended the maturity date of the note to October 31, 2024.

On December 18, 2022, the Company issued a convertible promissory note for \$50,000 that is secured by certain payroll tax credits the Company is entitled to receive under the Employee Retention Tax Credit program. In January

2025, the holder exchanged the note and made an additional investment of \$21,050, resulting in the issuance of an Exchange Note in the amount of \$83,759.68.

On June 14, 2023, the Company issued a convertible, secured note and warrants to purchase 10,000 shares of the Company's common stock for \$50,000 secured by certain payroll tax credits the Company is entitled to receive under the Employee Retention Tax Credit program. The note bears interest at 8% per annum, payable at maturity which is eighteen months from date of issue. The note can be converted to common stock at any time at the option of the holders at a conversion price of \$1.75 per share at which point accrued interest will be paid in cash. The warrants were recorded as a debt discount on the date of issuance for a total value of \$5,333. The balance at March 31, 2025 and December 31, 2024 of the debt discount was \$0.

On July 24, 2023, the Company issued at face value a convertible note in the original principal amount of \$50,000. In January 2025, the holder exchanged the note and made an additional investment of \$25,000, resulting in the issuance of an Exchange Note in the amount of \$83,958.11.

On November 2, 2023, the Company issued at face value a convertible note in the original principal amount of \$50,000. In January 2025, the holder exchanged the note and made an additional investment of \$25,000, resulting in the issuance of an Exchange Note in the amount of \$82,345.21.

On June 10, 2024, the Company issued a \$50,000 promissory note to an investor. The note bears interest at 8% per annum and all principal and interest is payable 120 days from the date of issuance. The note is secured by two purchase orders from a large customer. At March 31, 2025 and December 31, 2024, \$40,000 remains unpaid on this note.

Between October 17 and October 24, 2024, the Company issued promissory notes totaling \$200,000. In February 2025, two of the notes were exchanged, and each of the investors made a new investment of \$25,000 resulting in the issuance of two Exchange Notes in the amounts of \$76,924.90 and \$77,087.14. In March 2025, another note was exchanged coupled with a new investment of \$25,000 evidenced by an Exchange Note in the amount of \$77,260.23. Also in March 2025, the last of the four investors made a new investment of \$24,729 and exchanged the old note for an Exchange Note in the amount of \$76,860.20.

On December 13, 2024, the Company issued a \$50,000 promissory note to an investor. In January 2025, the holder exchanged the note and made an additional investment of \$25,000, resulting in the issuance of an Exchange Note in the amount of \$100,500.

In January 2025, investors purchased Exchange Notes aggregating \$140,000 in principal amount. In February 2025, the Company sold Exchange Notes in an aggregate principal amount of \$40,000. In March 2025, the Company sold Exchange Notes aggregating \$150,000. Also in March 2025, a short-term note was exchanged for an Exchange Note in the principal amount of \$25,000.

On June 24, 2025, the Company accepted an investment of \$30,000 and issued an Exchange Note in that amount.

At September 30, 2024 and at December 31, 2024, we had outstanding convertible notes aggregating \$565,000 and \$525,000 in principal amount. The secured, convertible note that was due on June 18, 2024 remains unpaid. The convertible promissory notes have not been included in diluted earnings per share as they would be anti-dilutive.

#### **NOTE 5 – OPERATING LEASE**

Effective May 31, 2020, we entered into a lease with a related party for a 29,220 square foot building in Madison Heights, Michigan. The occupancy and rent commencement date was October 1, 2020. As the sole tenant, we are responsible for all taxes, ordinary maintenance, snow removal and other ordinary operating expenses. Rent is \$6.50 per square foot, increasing by \$0.25 per year. See Note 7, Stockholders' Equity, for a description of warrants issued to the owners of Magic Research LLC in connection with this lease. The fair value of these warrants totaling \$311,718 were recorded as initial direct costs of obtaining the lease and are included in right-of-use assets on the accompanying

balance sheet. See Note 6 , Related Party Transactions, for information about roles in management and economic participation by our CEO and several other directors in the landlord.

Starting in October 2022, we have paid a portion of our rent in cash, and the balance by issuing stock. For the six-month period from October 2022 through March 2023 we paid cash of \$8,056 per month, and paid the rest in stock valued at \$1.25 per share. In May 2023, we reached a further agreement with the landlord to pay cash each month to cover the cost of the mortgage and the lease for the lighting fixtures, and to pay the balance of the rent by issuing shares of our stock valued at \$0.75 per share. On October 2024, those terms were extended through June 30, 2025. See Note 9 Subsequent Events for information about a subsequent lease amendment.

For operating leases, we calculated ROU assets and lease liabilities based on the present value of the remaining lease payments as of the date of adoption using the IBR as of that date. The ROU Asset was \$460,685 at September 30, 2025 and \$623,289 at December 31, 2024. The operating lease liability was \$411,265 at September 30, 2025 and \$545,951 at December 31, 2024.

#### **NOTE 6 – RELATED PARTY TRANSACTIONS**

At September 30, 2025 and at December 31, 2024, accounts payable – related parties totaled \$18,307 and \$29,000, respectively, and is presented separately in current liabilities. These balances consist of amounts owed to directors and officers as well as to the landlord in which three of our directors are investors. Specifically, Mr. Ron Berman is paid \$8,000 monthly as a retainer on his contract with \$4,000 owed at September 30, 2025 in accounts payable - related parties and \$0 owed at December 31, 2024. Mr. Tom Berman is paid a monthly salary of \$18,750, with \$0 and \$4,379 owed in accounts payable - related parties at September 30, 2025 and December 31, 2024, respectively. The landlord was owed \$128,402 and \$30,141 at September 30, 2025 and December 31, 2024, respectively.

At September 30, 2025 and at December 31, 2024, aggregate advances from Scott & Jeanne Rickert were \$42,887. On both those dates, accrued payroll for the Rickerts was an aggregate of \$16,000, which is included within accounts payable – related parties on the accompanying balance sheets.

In July 2024, we granted options to purchase 60,000 shares to both our CFO and to director Ronald Berman, and the option to purchase up to 30,000 shares to both our General Counsel, Jeanne Rickert, and our Chairman, Scott Rickert. These grants were half vested on the date of grant and the balance vests monthly over the rest of 2024. In July 2024, we also granted an option to purchase up to 500,000 shares to our President and CEO, half vested on the date of grant and the rest will vest on December 31, 2024. All the options granted in July 2024 were at an exercise price of \$0.31 and have a five-year term. The stock option awards to directors and officers resulted in an expense of \$208,280 included in stock compensation expense in the statements of operations for the three- and nine-month periods ending September 30, 2025.

In 2023, we granted options to our President and CEO Tom Berman in lieu of salary: In April, an option to purchase up to 30,000 shares, fully vested for salary not paid from January to March, and, in May, a second option for up to 69,228 shares that vest at the rate of 7,692 shares monthly for salary not paid in April and subsequent months of 2023. Also in May 2023, we granted our Chief Financial Officer an option for up to 100,000 shares in recognition of his services from 2019 through 2022. Both our CFO and our General Counsel were granted options in May 2023 for up to 60,000 shares, vesting 5,000 shares per month starting in January 2023 and each month thereafter. In May 2023, we also granted director Ronald Berman an option to purchase up to 50,000 shares for services previously rendered and granted him an option for 45,000 shares that vest at the rate of 5,000 shares per month beginning in April and for each calendar month of 2023. All options have an exercise price of \$0.65 per share and a four-year term.

Mr. Ron Berman and Mr. Tom Berman are the managers of the limited liability company that is the manager of PEN Comeback, LLC, PEN Comeback 2, LLC, Magic Growth, LLP, Magic Growth 2 LLC and Magic Growth 3 LLC. These five limited liability companies purchased shares of common stock and derivative securities from us in 2018, 2019, 2020, 2021 and 2022. See the subsection on Sales of Stock under Issuances of Common Stock in Note 7.

In addition, Mr. Tom Berman and Mr. Ron Berman are two of the three individuals who hold the voting power of the sole manager of the limited liability company that is the Company's landlord in Michigan. Together, Tom and Ron Berman hold, in the aggregate, a 5% economic interest in the landlord entity. Another director, Miles Gatland, owns

a 12.5% interest in the Michigan landlord and he is a co-guarantor on the debt of that limited liability company. See Note 7, Stockholder's Equity regarding the issuance of stock in partial satisfaction of unpaid rent. At September 30, 2024 and at December 31, 2024, rents accrued and unpaid totaled \$128,402 and \$30,141, respectively.

## **NOTE 7 – STOCKHOLDERS' EQUITY**

### **Description of Preferred and Common Stock**

#### Preferred Stock

The preferred stock may be issued in one or more series. The Company's board of directors are authorized to issue the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series.

#### Common Stock

The rights of each share of common are the same with respect to dividends, distributions and rights upon liquidation. Holders of common stock each have one vote per share in the election of directors and other matters submitted to a vote of the stockholders.

### **Issuances of Common Stock**

#### Common Stock Issued for Services

Through the nine months ended September 30, 2025, no stock has been issued for services.

On December 23, 2024 we issued 187,897 shares of common stock at a price of \$0.75 in partial payment of rent.

#### Sales of Common Stock and Derivative Equity Securities

During the quarter ended September 30, 2025, the Company sold 0 shares of common stock for proceeds of \$0. For the nine months ended September 30, 2025 the company sold a total of 0 shares of common stock for proceeds of \$0.

During the quarter ended September 30, 2024, the Company sold 699,999 shares of common stock for proceeds of \$525,000. For the nine months ended September 30, 2024 the company sold a total of 983,333 shares of common stock for proceeds of \$737,500.

### **Stock Options**

Stock options to purchase common stock outstanding at September 30, 2025 include those described below. No options were exercised during the period. No options have been included in diluted earnings per share as they would be anti-dilutive. During the three- and nine-month periods ending September 31, 2025, stock compensation expense totaled \$140,003 and \$573,073 respectively. During the three- and nine-month periods ending September 31, 2024, stock compensation expense totaled \$771,495 and \$787,830.

|                                | Number of<br>Options | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Remaining<br>Contractual<br>Term<br>(Years) | Aggregate<br>Intrinsic<br>Value |
|--------------------------------|----------------------|--|--|---------------------------------|
| Outstanding December 31, 2024  | 3,979,787            | \$ 0.51                                  | 2.72   | \$ 76,725                       |
| Exercised                      | -                    | -  | -  | -                               |
| Issued                         | 1,272,351            | 0.31                                     | -  | -                               |
| Expired & forfeited            | -                    | -  | -  | -                               |
| Outstanding September 30, 2025 | <u>5,252,138</u>     | <u>\$ 0.46</u>                           | <u>3.52</u>  | <u>\$ 601,310</u>               |
| Exercisable September 30, 2025 | <u>4,784,638</u>     | <u>\$ 0.48</u>                           | <u>3.39</u>  | <u>\$ 512,485</u>               |

|   | September 30,<br>2025 | December 31,<br>2024 |
|---|-----------------------|----------------------|
| Stock options                               | 5,252,138             | 3,979,787            |
| Stock warrants                              | 7,775,265             | 7,525,265            |
| Convertible debt (on an as converted basis) | 1,563,448             | 628,103              |
| Total                                       | <u>14,590,851</u>     | <u>12,383,155</u>    |

## Warrants

As of September 30, 2025 and September 30, 2024, there were outstanding and exercisable warrants to purchase 7,775,265 and 7,525,265 shares of common stock, respectively. The outstanding warrants have a weighted average exercise price of \$1.67 per share and a weighted average remaining contractual term of 20.31 months. As of September 30, 2025, there was no intrinsic value for the warrants. No warrants have been included in diluted earnings per share as they would be anti-dilutive.

## 2021 Equity Incentive Plan

On March 2, 2021, our Board adopted the 2021 Nano Magic 2021 Equity Incentive Plan (the “Plan”) to allow equity compensation for those who provide services to the Company and to encourage ownership in the Company by personnel whose service to the Company is important to its continued progress, to encourage recipients to act as owners and thereby in the stockholders’ interest and to enable recipients to share in the Company’s success.

On July 29, 2024, the Company granted 622,351 options to employees, contractors and consultants under the 2021 Equity Plan and increased amounts available for grant by that number. All options entitle the holder to purchase shares at a strike price of \$0.31 and expire five years from date of grant.

On May 29, 2025, the Company granted 526,351 options to employees, contractors and consultants under the 2021 Equity Plan and increased amounts available for grant by that number. All options entitle the holder to purchase shares at a strike price of \$0.31 and expire five years from date of grant.

## Other Options

On December 10, 2024 the Company issued options to purchase up to 100,000 shares to each of the directors then in office who had served for the full calendar year and granted options to purchase up to 58,333 shares to Mr. Hurbis who joined the Board part pay through the year. All these options were at an exercise price of \$0.31 and fully vested on date of grant. See Note 6, Related Party Transactions regarding options granted to officers and directors in May, 2025.

## NOTE 8 – COMMITMENTS AND CONTINGENCIES

### Litigation

The Company may be, from time to time, subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. As of September 30, 2025 we were not a defendant in any proceedings. Our policy is to accrue costs for contingent liabilities, including legal proceedings or unasserted claims that may result in legal proceedings, when a liability is probable and the amount can be reasonably estimated. As of September 30, 2025, the Company has not accrued any amount for litigation contingencies.

#### **NOTE 9 – SUBSEQUENT EVENTS**

On October 31, 2025, we entered into a fourth amendment to the lease under which we will pay cash monthly equal to the greater of \$6,062.37 or the new mortgage payment due for the period that is expected to be interest only at a rate of 12% on the mortgage balance. The balance of the rent will be accrued and either paid in cash by June 30, 2026, or paid in stock valued at \$0.50 per share. The amendment also requires us to pay real estate taxes that are currently outstanding and those that accrue during our occupancy in 24 equal monthly installments, commencing in January 2026. We also agreed, subject to Board approval, to issue to the landlord 50,000 fully-vested options at an exercise price of \$0.31 and to vacate the premises by March 31, 2026.

On November 3, 2025, we sold Exchange Notes in the aggregate principal amount of \$200,000 for proceeds in that amount.

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A. This Disclosure Statement was prepared by (name of individual):

Name: Ronald J. Berman  
Title: General Counsel  
Relationship to Issuer: Director

B. The following financial statements were prepared in accordance with:

IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Leandro Vera  
Title: Chief Financial Officer  
Relationship to Issuer: Officer

Leandro Vera has served as our Chief Financial Officer on February 12, 2020. Leo has worked with us in a consulting role since December 1, 2018, as the acting CFO for our operations. Leo is a co-founder of Swiftmile, Inc. and has served as its Chief Financial Officer from 2015 through 2024. Between January 2015 and December 2017, Leo also served as Chief Operating Officer of Reverie, one of the leading manufacturers of innovative mattresses, adjustable beds, and pillows. Leo also previously worked at Ergomotion, a \$100 million annual revenue supplier of power beds, with roles ranging from COO/CFO to COO, to President and CEO from October 2011 to September 2014, leading it to a successful acquisition by a strategic investor. Prior to Ergomotion, he was Managing Director of Pyrotek, a leading international supplier to aluminum, foundry, glass, zinc, and steel customers with performance improving technical products, integrated processing systems and consulting services worldwide. Leo began his career in public accounting with Coopers & Lybrand LLP in its Audit Assurance division between 1995 and 1997

#### **10) Issuer Certification**

*Principal Executive Officer:*

I, Tom J. Berman certify that:

1. I have reviewed this Disclosure Statement for Nano Magic Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 21, 2025

*/s/ Tom J. Berman, President & CEO*

*Principal Financial Officer:*

I, Leandro Vera certify that:

1. I have reviewed this Disclosure Statement for Nano Magic Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 21, 2025

*/s/ Leandro Vera, CFO*