

Basanite, Inc.

Nevada

216 Crown St. New Haven Ct. 06510

Telephone #: 888-501-1176:

Corporate Website:
www.basaniteindustries.com

Company Email:
info@basaniteindustries.com

3272 SIC Code:

Annual Report

For the period ending December 31, 2025 (the "Reporting Period")

The number of shares outstanding of our Common Stock is 267,560,840 as of June 24, 2026.

The number of shares outstanding of our Common Stock was 267,560,840 as of December 31, 2025 (end of current reporting period)

The number of shares outstanding of our Common Stock was 267,560,840 as of September 30, 2025 (end of previous reporting period)

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

Yes: No: (Double-click and select "Default Value" to check)

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

Yes: No:

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

⁴ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: No: X

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

May 30, 2006

Basanite Inc.

Item 2 The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:

In answering this item, please also provide (i) the telephone of the issuer's principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.

Phone #: 203-562-2255

Website: www.basaniteindustries.com

Investor Relations: None

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

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

In answering this item, please provide the state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years. Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive).

May 30, 2006

Nevada

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.

Company; Basanite, Inc.

Symbol: BASA

CUSIP 06975Q100

ISIN US06975Q1004

Preferred stock, 5,000,000 shares authorized
Common Stock 1,000,000,000 shares

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

Preferred stock	\$0.001 par value
Common stock	\$0.00001 par value

B. *Common or Preferred Stock.*

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

No dividends, one for one voting, no preemption rights

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

N/A no preferred stock or rights issued yet

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

None noted

4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a Change in Control of the issuer.

None noted

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date;
- (ii) Number of shares authorized;
- (iii) Number of shares outstanding;
- (iv) Freely tradable shares (public float);
- (v) Number of beneficial shareholders owning at least 100 shares⁵; and
- (vi) Total number of shareholders of record.

Preferred None issued

Common stock
December 31, 2025
1,000,000,000 shares authorized
267,560,840 shares outstanding
153,285,336 shares held by non-affiliates
274 beneficial shareholders
274 total shareholders of record

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

*To be included in OTCQX or OTCQB, the issuers whose securities are incorporated in the U.S. or Canada *must* have a transfer agent registered under the Exchange Act.

Empire Stock Transfer
Henderson Nevada
702-818-5898

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

⁵ Securities quoted on OTCQX U.S. must have at least 50 beneficial shareholders each owning at least 100 shares.
Securities quoted on OTCQX U.S. Premier must have at least 100 beneficial shareholders each owning at least 100 shares.

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);
2. the year that the issuer (or any predecessor) was organized;
3. the issuer's fiscal year end date;
4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;
5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;
6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;
7. any change of control;
8. any increase of 10% or more of the same class of outstanding equity securities;
9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;
10. any delisting of the issuer's securities by any securities exchange; and
11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

Company history Through our wholly owned subsidiary, Basanite Industries, LLC, a Delaware limited liability company ("BI"), we manufacture a range of "green" (environmentally friendly), sustainable, non-corrosive, lightweight, composite products used in concrete reinforcement by the construction industry. Our core product is **BasaFlex™**, a basalt fiber reinforced polymer ("BFRP") reinforcing bar (known as "rebar") which we believe is a stronger, lighter, sustainable, non-conductive, and corrosion-proof alternative to traditional steel.

Our two other main product lines are **BasaMix™**, which are fine denier basalt fibers available in various chopped sizes, and **BasaMesh™**, a line of Basalt Geogrid Mesh Rolls, intended to replace welded wire mesh (made of steel).

While we believe our products have significant market potential and have begun to gain some acceptance in the market (as evidenced by the beginning of revenue growth which occurred in 2021 and continued in 2022 and 2023). We have halted production because of lack of funding and are operating out of our office at 216 Crown St. New haven Ct. 06510

. We are working to secure additional funding of approximately six million dollars to have a new manufacturing capacity to meet what we believe will be demand for our products, but until such funding is obtained, there will remain substantial doubt regarding our ability to continue as a going concern.

We were formed as a Nevada corporation in 2006 under the name "Nevada Processing Solutions, Inc." and entered our current BFRP business in 2017.

From time to time, we may become involved in legal proceedings that, individually or in the aggregate, could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

As of the date of this report, the Company's lawsuit against Upstate Custom Products, LLC has resulted in the jury finding neither party is due monetary damages, and more information can be located via the South District of Florida's website or registration via PACER.

On or about October 2023, the Company was served notice of a pending matter of litigation with GS Capital Partners of New York regarding the liquidated damages fees from the 2021 PIPE investment. As of this filing, the matter remains unresolved.

Due to our cash flow and liquidity challenges, we have received demand letters from a number of vendors to our company seeking payment of past due amounts to such vendors. As of the date of this report, such demands have not become formal litigations or other proceedings against our company, but they may become litigation against us in the future.

Except as set forth above, as of the date of this report, we are not aware of any proceedings pending against our company.

In August 2025, most of the officers and operating staff resigned and production operations ceased. Ronald LoRicco Sr stepped in as Acting Interim Chief Executive Officer and acting interim Chief Financial Officer and moved the company to Connecticut.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

1. the issuer's primary and secondary SIC Codes;
2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

Recently ceased operations

3. whether the issuer has at any time been a "shell company";⁶

No

⁶ For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

- (1) No or nominal operations; and
- (2) Either:
 - (A) No or nominal assets;
 - (B) Assets consisting solely of cash and cash equivalents; or
 - (C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

Instruction to paragraph 8.3 of Item 8:

The issuer must attest that it is not currently a shell company. If the issuer discloses that it was formerly a shell company, it must also include the following disclosure on the front page of its disclosure statement in boldface, 12 point type:

"We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction."

4. *the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;*
5. *the effect of existing or probable governmental regulations on the business;*
6. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;*
7. *costs and effects of compliance with environmental laws (federal, state and local); and*
8. *the number of total employees and number of full-time employees.*

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact OTC Markets Group for more information.

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;
- B. distribution methods of the products or services;
- C. status of any publicly announced new product or service;

- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;
- E. sources and availability of raw materials and the names of principal suppliers;
- F. dependence on one or a few major customers;
- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and
- H. the need for any government approval of principal products or services and the status of any requested government approvals.

There are currently no active operations

Item 10 The nature and extent of the issuer's facilities.

Please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The current office space in Branford CT is leased on a month to month basis.

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

Please give 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 shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners, as of the date of this information statement:

1. Full name; Ronald LoRicco Sr
2. Officer/Director Title: Acting Interim Chief Executive Officer and Acting Interim Chief Financial Officer
3. Business address; 216 Crown St. Suite New Haven Ct.06510

4. Employment history (which must list all previous employers for the past 5 years, positions held, responsibilities and employment dates); Mr. LoRicco has been with the company since 2017. He is an attorney since 1990 practicing in civil litigation, criminal law, probate administration and workers' compensation
5. Board memberships and other affiliations;

Name	Age	Position
Ronald J. LoRicco, Sr.	62	Acting Interim Chief Executive Officer, Acting Interim Chief Financial Officer & Chairman of the Board
Adam Falkoff	57	Director
Manuel A. Rodriguez	63	Director

6. Compensation by the issuer; and

None

7. Number and class of the issuer's securities beneficially owned by each such person.

	Number of Shares Beneficially Owned	Percentage of Shares Outstanding (1)
Named Executive Officers and Directors:		
Ronald J. LoRicco, Sr.	60,915,912	22.8%
Adam Falkoff(4)	500,000	
Manuel A. Rodriguez	20,616,060	7.7%
All executive officers and directors as a group (7 persons)	82,031,972	30.7%

* Less than 1%.

B. Other Control Persons. In responding to this item, please provide the following information for all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities as of the date of this information statement. Do not include Officers or Directors previously listed.

1. Full name; None
2. Address; and
3. Number and class of the issuer's securities beneficially owned.

To the extent not otherwise disclosed, if any of the above shareholders are corporations or other legal entities rather than individuals, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agent of each corporate shareholder.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. 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, or banking activities;

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry 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.

No

C. Disclosure of Family Relationships. Describe any family relationships⁷ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

None

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;
2. The related person's interest in the transaction;
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);
4. The approximate dollar value of the related person's interest in the transaction; and
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

Notes payable - related party totaled \$2,776,920 and \$2,178,000 at December 31, 2025, and December 31, 2024, respectively. New debt issued is listed below:

On January 9, 2024, the Company issued a promissory note to a board member in exchange for \$23,000 bearing an interest rate of 20% per annum and payable on January 8, 2025.

On March 6, 2024, the Company issued a promissory note to a board member in exchange for \$40,000 bearing an interest rate of 20% per annum and payable on March 5, 2025.

On March 21, 2024, the Company issued a promissory note to a board member in exchange for \$15,000 bearing an interest rate of 20% per annum and payable on March 20, 2025.

On May 12, 2024, the Company issued a promissory note to a board member in exchange for \$25,000 bearing an interest rate of 20% per annum and payable on May 11, 2025.

On June 26, 2024, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on June 25, 2025.

On August 13, 2024, the Company issued a promissory note to a board member in exchange for \$25,000 bearing an interest rate of 20% per annum and payable on August 12, 2025.

On September 6, 2024, the Company issued a promissory note to a board member in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on September 5, 2025.

On October 2, 2024, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on October 1, 2025.

On December 13, 2024, the Company issued a promissory note to a board member in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on December 12, 2025.

On April 3, 2025, the Company issued a promissory note to a board member in exchange for \$300,000 bearing an interest rate of 20% per annum and payable on April 3, 2026.

On May 20, 2025, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 20% per annum and payable on May 20, 2026.

On June 30, 2025, the Company issued a promissory note to a board member in exchange for \$5,000 bearing an interest rate of 20% per annum and payable on June 3, 2026.

On June 4, 2025, the Company issued a promissory note to a board member in exchange for \$55,000 bearing an interest rate of 20% per annum and payable on June 40, 2026.

On June 10, 2025, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 20% per annum and payable on June `10, 2026.

On June 25, 2025, the Company issued a promissory note to a board member in exchange for \$125,000 bearing an interest rate of 20% per annum and payable on June 25, 2026.

On December 16, 2025, the Company issued a promissory note to a board member in exchange for \$30,000 bearing an interest rate of 20% per annum and payable on December 16, 2026.

On December 16, 2025, the Company issued a promissory note to a board member in exchange for \$185,000 bearing an interest rate of 20% per annum and payable on December 16, 2026.

Interest expense for the Company's notes payable - related party was \$465,792 and \$405,900 for the years ended December 31, 2025, and 2024, respectively.

Accrued interest for the Company's notes payable at December 31, 2025, and December 31, 2024, was \$1.373.016 and \$907.224, respectively, and is included in accrued expenses on the consolidated balance sheets.

⁷ The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

⁸ "Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

Related party notes and interest

Item 12 and 13 Financial information for the issuer's two most recent fiscal period.

**BASANITE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ —	\$ 82,222
Accounts receivable	43,349	50,758
Total current assets	43,349	132,980
Property and equipment, net	35,580	132,727
Total assets	\$ 78,929	\$ 265,708
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	\$ 1,689,114	\$ 1,733,422
Accruals and other current liabilities	3,483,546	2,290,876
Note payable - related party	2,776,920	2,178,000
Convertible debt - related party	2,144,357	2,144,357
Shareholder loans	475,000	475,000
Short-term notes payable	270,000	270,000
Total current liabilities	10,838,937	9,091,655
	10,838,937	9,091,655
Commitments and Contingencies (Note 7)		
Shareholders' Deficit		
Preferred stock, \$0.001 par value. 5,000,000 authorized, none issued and outstanding	—	—
Common stock, 1,000,000,000 shares authorized, \$0.00001 par value, 267,560,840 and 260,157,796 issued and outstanding at September 30, 2025, and December 31, 2024, respectively	267,561	260,157
Additional paid in capital	49,156,610	48,905,681
Accumulated deficit	(60,184,179)	(57,991,785)
Total shareholders' deficit	(10,760,008)	(8,825,947)
Total liabilities and shareholders' deficit	\$ 78,929	\$ 265,708

The accompanying notes are an integral part of the consolidated financial statements.

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Basanite Inc.
Condensed Consolidated Statements of Operations
(unaudited)

	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenues	\$ 67,459	\$ 434,725
Cost of sales	149,685	172,191
Gross profit	(82,226)	262,534
General and administrative expenses	1,178,368	1,067,519
Operating loss	(1,260,594)	(804,985)
Interest expense	(943,264)	(924,768)
Other (income) expense	(24,117)	357
Gain(loss)	35,581	—
Loss before income taxes	(2,192,394)	(1,729,396)
Less Income tax expense	—	—
Net loss	\$ (2,192,394)	\$ (1,729,396)
Weighted average shares	264,294,947	260,156,796
Earnings per share - basic and diluted	\$ (0.01)	\$ (0.01)

The accompanying notes are an integral part of the consolidated financial statements.

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BASANITE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2025, and 2024
(Unaudited)

	Preferred Stock	Common Stock	Par value Common Stock	Additional Paid in Capital	Subscriptions for Stock to be issued	Accumulated deficit	Total
Balance, December 31, 2023	—	259,156,796	\$259,157	\$48,891,681	\$ —	\$(56,262,389)	\$ (7,111,551)
Stock issued for services	—	1,000,000	1,000	—	—	—	1,000
Net loss	—	—	—	14,000	—	(1,729,396)	(1,715,396)
Balance, December 31, 2024	—	260,156,796	\$260,157	\$48,905,681	\$ —	\$(57,991,785)	\$ (8,825,947)
Stock issued for services	—	7,404,044	7,404	236,929	—	—	244,333
Option expense	—	—	—	14,000	—	—	14,000
Net loss	—	—	—	—	—	(2,192,394)	(2,192,394)
Balance, December 31, 2025	—	267,560,840	\$267,561	\$49,142,610	\$ —	\$(60,170,179)	\$(10,760,008)

The accompanying notes are an integral part of the consolidated financial statements.

BASANITE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025, and 2024
(Unaudited)

	<u>Year Ended</u> <u>December 31, 2025</u>	<u>Year Ended</u> <u>December 31, 2024</u>
Cash used in Operating activities		
Net loss	\$ (2,192,394)	\$ (1,729,396)
Items not affecting cash:		
Depreciation & amortization	133,279	120,509
Lease right of use depreciation	—	56,915
(Gain) on settlement	(35,581)	—
Loss on impairment	—	149,034
Shares issued for services	244,333	15,000
Option expense	14,000	—
Changes in non-cash working capital:		
Accounts receivable	7,409	(10,537)
Other current liabilities	1,148,362	1,054,364
Lease liability	—	(56,915)
Net cash flows from operating activities	<u>(680,591)</u>	<u>(401,026)</u>
Investing activities		
Purchase of Assets	(551)	—
Net cash flows from investing activities	<u>(551)</u>	<u>—</u>
Financing activities		
Proceeds from related parties	720,000	428,000
Repayments to related parties	(121,080)	—
Net cash flows from financing activities	<u>598,920</u>	<u>428,000</u>
Increase (decrease) in cash during the year	(82,222)	26,974
Cash, beginning of the period	82,222	55,248
Cash, end of the period	<u>\$ —</u>	<u>\$ 82,222</u>
Supplemental disclosures		
Cash paid for income taxes	\$ —	\$ —
Cash paid for interest	\$ 66,662	\$ —

The accompanying notes are an integral part of the consolidated financial statements.

BASANITE, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Unaudited)

NOTE 1 - ORGANIZATION, NATURE OF BUSINESS AND GOING CONCERN

(A) Description of Business

On May 30, 2006, Basanite, Inc. was organized as a Nevada corporation. Basanite and its wholly owned subsidiaries are herein referred to as "Basanite," the "Company", "we", "our", or "us". Currently based in Pompano Beach, Florida, the Company intends to manufacture concrete-reinforcing products made from basalt fiber reinforced polymers ("BFRP"), such as its primary product BasaFlex. This UV-stable, chemical, acid and moisture resistant material is sustainable and environmentally friendly and has been engineered to replace steel as it never rusts, therefore, addressing the industry's current corrosion issues.

The Company's wholly owned subsidiary created in 2018, Basanite Industries, LLC ("BI") manufactures BasaFlex™, a basalt fiber reinforced polymer rebar. BFRP rebar is a stronger, lighter, sustainable, non-conductive and non-corrosive alternative for traditional steel rebar and wire mesh. BI previously leased a fully permitted and Underwriters Laboratories ("UL") approved 36,900 square foot facility located in Pompano Beach, Florida. BI's operations team is currently in the processes of searching for, optimizing, and scaling the manufacturing plant to produce 11,000 to 17,000 linear feet of BFRP rebar per line, per day, depending on the product mix. BI's own fully equipped test lab will be utilized to evaluate, validate, and verify each product's performance attributes.

The company does not hold inventory at this time for sale, has no current facilities for operations but is actively seeking funding through debt equity to restart operations and searching for a new location in which to operate full manufacturing activities.

- BasaFlex™ never rusts - steel reinforcement products rust, causing time and repair costs down the road;
- BasaFlex™ is sustainable; with a longer lifecycle - production of our products results in exceptionally low carbon footprint when compared with steel. The lack of corrosion allows the "lifespan" of concrete products to be significantly longer; and
- BasaFlex™ has a lower final, in place cost - the physical nature of our products relative to steel (4X lighter, easily transportable, "coilable", safer and easier to use) reduces the all-in cost of reinforcement when all factors are considered.

(BJ liquidity and Management Plans - Going Concern

Since inception, the Company has incurred net operating losses and used cash in operations. As of December 31, 2025 and 2024, respectively, the Company reported:

- an accumulated deficit of approximately \$60.2 million and \$57.9 million;
- a working capital deficiency of approximately \$10.8 million and \$8.9 million; and
- cash used in operations of approximately \$0.7 million and \$0.4 million.

Losses have principally occurred as a result of the substantial resources required for product research and development and for the marketing of the Company's products; including the general and administrative expenses associated with the organization.

At December 31, 2025, the Company had cash of \$0 compared to \$82,222 at December 31, 2024.

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We have historically satisfied our working capital requirements through the sale of restricted common stock and the issuance of warrants and promissory notes. Until we are able to internally generate positive cash flow, we will attempt to fund working capital requirements through third party financing, including through private placement of our securities as well as bridge loan arrangements. However, a number of factors continue to hinder the Company's ability to attract new capital investment. We cannot provide any assurances that the required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities to reduce our cash use until sufficient funding is secured.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties. Management believes that the actions presently being taken to obtain additional funding and implement its strategic plan provides the opportunity for the Company to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Use of Estimates in Financial Statements

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-based compensation and stock awards related to convertible debt instruments are recognized based on the fair value of the awards granted. The fair value of each award or conversion feature is estimated on the grant date using the Black-Scholes pricing model. The Black-Scholes pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates and the expected dividend yield of our common stock. The assumptions used to determine the fair value of the stock awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

(B) Principles of Consolidation

The consolidated financial statements include the accounts of Basanite, Inc. and its wholly owned subsidiaries, Basanite industries, LLC and Basalt America, LLC, formerly known as Rockstar Acquisitions, LLC. All intercompany balances have been eliminated in consolidation.

(C) Cash

The Company considers all highly liquid temporary cash instruments with an original maturity of three months or less to be cash equivalents. The Company places its cash, cash equivalents and restricted cash on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Company ("FDIC") up to \$250,000. The Company's credit risk in the event of failure of these financial institutions is represented by the difference between the FDIC limit and the total amounts on deposit. Management monitors the financial institutions credit worthiness in conjunction with balances on deposit to minimize risk. The Company from time to time may have amounts on deposit in excess of the insured limits.

(D) Inventories

The Company's inventories consist of raw materials, work in process and finished goods, both purchased and manufactured. Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Raw materials inventory consists primarily of basalt fiber and other necessary elements to produce basalt rebar. On a quarterly basis, the Company analyzes its inventory levels and records allowances for inventory that has become obsolete and inventory that has a cost basis in excess of the expected net realizable value. The company has maintained \$0 in inventory for the years ended December 31, 2025 and 2024, respectively.

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(£) Fixed assets

Fixed assets are stated at cost, subject to adjustments for impairment, less accumulated depreciation and amortization. Depreciation and amortization are computed using a straight-line method over the following estimated useful lives:

Computer equipment	3 years
Machinery	7 years
Leasehold improvements	15 years or lease term
Land improvements	15 years
Office furniture and equipment	5 years
Website development	3 years

Maintenance and repairs are charged to expenses as incurred, and improvements to leased facilities and equipment are capitalized. Property & equipment consist of the following:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Computer equipment	\$ 89,740	\$ 89,740
Machinery	731,507	695,927
Total property & equipment	<u>821,247</u>	<u>785,667</u>
Accumulated depreciation	(785,667)	(652,940)
Net property & equipment	<u>\$ 35,580</u>	<u>\$ 132,728</u>

Depreciation expense for the year ended December 31, 2025, was \$133,279 compared to \$127,967 for the year ended December 31, 2024.

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by that asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. During the year ended December 31, 2024, the Company determined that the construction in process related to the custom machines should be fully impaired due to the uncertainty as to if or when the machines would be received.

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(F) Deposits and other current assets

None.

(G) Accrued expenses

The Company's accrued expenses consist of the following:

	December 31, 2025	December 31, 2024
Accrued payroll and taxes	\$ 155,250	\$ —
Accrued vacation	31,982	104,956
Accrued interest	3,080,885	1,924,705
Other accrued expenses	215,429	261,215
Total accrued expenses	\$ 3,483,546	\$ 2,290,876

(H) Loss Per Share

The basic loss per share is calculated by dividing the Company's net loss available to common shareholders by the weighted average number of common shares during the period. The diluted loss per share is calculated by dividing the Company's net loss by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity.

The following are potentially dilutive shares not included in the loss per share computation:

	December 31, 2024	December 31, 2023
Options	73,340,450	1,477,778
Warrants	121,552,663	125,295,757
Convertible shares	8,016,068	8,016,068
	202,919,181	134,789,603

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(I) Stock-Based Compensation

The Company recognizes compensation costs to employees under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Compensation - Stock Compensation. Under FASB ASC Topic 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the grant.

The Company issued 0 restricted common shares, 0 restricted common stock warrants, and 9.5 million common stock options as compensation with a total fair value of \$261,250 for the year ended December 31, 2024.

As of December 31, 2025, and 2024, \$0, respectively, of the fair value of the equity awards granted were recorded as prepaid expenses in the consolidated balance sheets to be recognized as equity-based compensation in subsequent periods.

For the years ended December 31, 2025, and 2024, total equity-based compensation expense amounted to \$244,333 and \$0, respectively.

(J) Income Taxes

The Company has not recorded any income tax expense or benefit for the years ended December 31, 2025, and 2024 due to its history of net operating losses.

The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,729	\$ 2,169
Accruals and allowances	2,282	1,265
Total deferred tax assets	4,011	3,434
Valuation allowance	(4,011)	(3,434)
Total deferred tax assets net of valuation allowance	—	—

The change in the deferred tax asset for the years ended December 31, 2025 and 2024 are \$317,400 and \$526,500 respectively.

Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Company had no uncertain income tax positions at December 31, 2025.

The Company files income tax returns in the U.S. federal jurisdiction and Florida. The Company is subject to U.S. federal and Florida state tax examinations for certain years after 2018.

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NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

There are several new accounting pronouncements issued or proposed by the FASB. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial position or operating results.

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL Methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit related impairment, if any, will be recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The CECL methodology represents a significant change from existing US GAAP and may result in material changes to the Company's accounting for financial assets. The Company is evaluating the effect that ASU 2016-13 will have on its Consolidated Financial Statements and related disclosures.

In August 2020, the FASB issued ASU No. 2020-06, Debt - Debt with Conversion and other Options (Subtopic 70-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Instruments by removing major separation models required under current accounting principles generally accepted in the United States of America ("U.S. GAAP"). ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exceptions and also simplifies the diluted earnings per share calculation in certain areas. The standard is effective for public business entities, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years and interim periods within those fiscal years beginning after December 15, 2021. For all other entities, the standard will be effective for fiscal years beginning after December 12, 2023. Early adoption is permitted but no earlier than fiscal years beginning after December 15, 2020, and adoption must be as of the beginning of the Company's annual fiscal year. The standard was adopted on January 1, 2021. By no longer recording embedded conversion features separately from the convertible debt instrument, and instead as a single liability, the Company's financial statements will reflect a more simplified view of convertible debt instruments and cash interest expense that is more relevant than an imputed interest expense that results from the separation of conversion features previously required by U.S. GAAP.

NOTE 4 - OPERATING LEASE

On January 18, 2019, the Company entered into an agreement to lease approximately 25,470 square feet of office and manufacturing space in Pompano Beach, Florida through March 2024. On March 25, 2019, the Company entered into an amendment to the agreement to increase the square footage of leased premises to 36,900 square feet, increasing the Company's base rent obligation to be approximately \$33,825 per month for one year and nine months, and increasing annually at a rate of three percent for the remainder of the lease term.

In accordance with ASC 842, on January 18, 2019, the Company entered into and recorded a lease right-of-use asset and a lease liability at a present value of \$1,405,804. The right-of-use asset is composed of the sum of all lease payments plus any initial direct cost and is amortized over the life of the expected lease term. For the expected term of the lease, the Company used the initial term of the five-year lease.

As of December 31, 2022, the Company vacated the lease and no further obligation is due. The Company's headquarters were moved to 2660 NW 15 CT, Unit 108, Pompano Beach, FL 33069. As of this filing the Company has not entered into a lease agreement with the landlord.

For the years ended December 31, 2025 and 2024, the Company expensed \$40,147 and \$36,315, respectively, for rent.

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NOTE 5 - NOTES PAYABLE - CONVERTIBLE

Notes payable - convertible totaled \$0 and \$0 at December 31, 2025, and December 31, 2024, respectively.

On August 3, 2020, the Company issued an unsecured convertible promissory note to an accredited investor in exchange for \$10,000 bearing an interest rate of 18% per annum and payable in six months. The Company shall pay interest on the unconverted and then outstanding principal amount of the note at a rate of 18% per annum, accrued monthly for the first four months of this note and payable thereafter until the maturity date of February 3, 2021, unless the note is converted or prepaid prior to maturity. The holder may convert the unpaid principal balance of the note into restricted common stock, par value \$0.001 per share, of the Company at the conversion rate equal to the per share cash price paid for the shares by any third-party investor(s) with total proceeds to the Company of not less than \$500,000 (the "conversion price"); provided, however, in no event shall the conversion price ever be less than \$0.01 per share. On February 16, 2021, the \$10,000 note was paid along with accrued interest in the amount of \$1,007.

Interest expense for the Company's convertible notes payable was \$0 for the years ended December 31, 2025, and December 31, 2024, respectively. Accrued interest for the Company's convertible notes payable at December 31, 2025, and December 31, 2024 was \$0 and \$0, respectively, and is included in accrued expenses on the consolidated balance sheets.

NOTE 6 - NOTES PAYABLE - CONVERTIBLE - RELATED PARTY

Notes payable - convertible - related party totaled \$2,144,357 for the year end December 31, 2025, and December 31, 2024, respectively.

On August 3, 2020, the Company issued a secured convertible promissory note to certain investors in exchange for \$1,000,000 in the aggregate bearing an interest rate of 20% per annum and payable in 6 months. The holder may convert the unpaid principal balance of the note into shares of restricted common stock of the Company at the conversion price equal to \$0.275 per share, which conversion price was set with the consummation of the Company's private placement of Units (described in note 10) which closed on August 17, 2021. This note contains a negative covenant that requires the Company to obtain consent prior to incurring any additional equity or debt investments and is secured by all of the assets of the Company. The Richard A. LoRicco Sr. and Lucille M. LoRicco Irrevocable Insurance Trust DTD 4/28/95, Louis Demaio as Trustee (the "Trust") is the holder of \$750,000 of the principal amount of this note. The Trust was created by Richard A. LoRicco Sr. and Lucille M. LoRicco, who were the parents of Ronald J. LoRicco Sr., one of the members of the Company's Board of Directors and is maintained by an independent trustee. Ronald J. LoRicco Sr. does not have voting or investment control of or power over the Trust but is an anticipated, partial beneficiary of the Trust.

On February 12, 2021, the Company exchanged the original debt for a newly issued amended and restated secured convertible promissory note with a new principal balance of \$1,610,005 bearing an interest rate of 20% per annum and fully payable in 3 months. This was accounted for as a debt extinguishment and the new promissory note was recorded at fair value in accordance with ASC 470 "Debt". The original principal of \$1,000,000 and accrued interest of \$110,005 calculated as of the date of amendment and restatement along with an additional advance of \$500,000 determined the principal amount of the new note. In consideration of the additional advance and the extension of the maturity date of the original note, the Company issued to the noteholders 15,000,000 5-year common stock warrants with an exercise price of \$0.20. The issuance of the warrants for the extension generated a loss on extinguishment of \$3,686,123 for the fair value of the warrants issued.

On May 12, 2021, the Company extended the debt for a newly issued amended and restated secured convertible promissory note with a new principal balance of \$1,689,746 bearing an interest rate of 20% per annum and fully payable February 12, 2022. The original principal of \$1,610,005 and accrued interest of \$79,742 calculated as of the date of amendment and restatement determined the principal amount of the new note. In consideration of the additional advance and the extension of the maturity date of the original note, the Company issued to the noteholders 7,500,000 5-year common stock warrants with an exercise price of \$0.35. The issuance of the warrants for the extension generated a loss on extinguishment of \$1,874,705 for the fair value of the warrants issued. The note was not paid by its due date; as of the date of this filing, the noteholder has not issued a formal demand for payment and the Company is in negotiations with the noteholder to remedy the past-due status.

On September 15, 2022, the Company extended the debt for a newly issued amended and restated secured convertible promissory

note with a new principal balance of \$2,144,357 bearing an interest rate of 20% per annum and fully payable February 12, 2023. The amended principal of \$1,689,746 and accrued interest of \$454,612 calculated as of the date of amendment and restatement determined the principal amount of the new note. No additional consideration was provided.

Interest expense for the Company's convertible notes payable - related parties was \$428,872 and \$428,872 for the years ended December 31, 2025, and December 31, 2024, respectively.

Accrued interest for the Company's convertible notes payable - related parties at December 31, 2025, and December 31, 2024 was \$1,422,306 and \$993,434, respectively, and is included in accrued expenses on the consolidated balance sheets.

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NOTE 7 - NOTES PAYABLE

Notes payable totaled \$270,000 at December 31, 2025 and December 31, 2024, respectively.

On April 2, 2021, the Company issued a promissory note with an investor in exchange for \$200,000 bearing an interest rate of 18% per annum and payable on October 2, 2023. The company also issued 2,000,000 common stock warrants at an exercise price of \$0.20 per share expiring in 5 years. The note was not paid by its due date. As of the date of this filing, the noteholder has not issued a formal demand for payment and the Company is in negotiations with the noteholder to remedy the past-due status.

On April 9, 2021, the Company issued a promissory note with an investor in exchange for \$50,000 bearing an interest rate of 18% per annum and payable on October 9, 2022. The company also issued 500,000 common stock warrants at an exercise price of \$0.20 per share expiring in 5 years. The note was not paid by its due date. As of the date of this filing, the noteholder has not issued a formal demand for payment and the Company is in negotiations with the noteholder to remedy the past-due status.

On April 16, 2021, the Company issued a promissory note with an investor in exchange for \$25,000 bearing an interest rate of 18% per annum and payable on October 16, 2022. The company also issued 250,000 common stock warrants at an exercise price of \$0.25 per share expiring in 5 years. As of the date of this filing, the noteholder has not issued a formal demand for payment and the Company is in negotiations with the noteholder to remedy the past-due status.

On April 16, 2021, the Company issued a promissory note with an investor in exchange for \$20,000 bearing an interest rate of 18% per annum and payable on October 16, 2022. The company also issued 200,000 common stock warrants at an exercise price of \$0.25 per share expiring in 5 years. As of the date of this filing, the noteholder has not issued a formal demand for payment and the Company is in negotiations with the noteholder to remedy the past-due status.

On April 16, 2021, the Company issued a promissory note with an investor in exchange for \$300,000 bearing an interest rate of 18% per annum and payable in one year. The company also issued 3,000,000 common stock warrants at an exercise price of \$0.25 per share expiring in 5 years. On May 21, 2021, the investor converted the promissory note of \$300,000 in exchange for 6,000,000 common stock warrants at an exercise price of \$0.15 per share expiring in 5 years. The accrued interest of \$5,199 was forgiven. The conversion of the debt to warrants generated a loss on extinguishment of \$1,487,386 for the fair value of the warrants issued.

Interest expense for the Company's notes payable was \$48,600 and \$48,600 for the years ended December 31, 2025 and 2024, respectively.

Accrued interest for the Company's notes payable at December 31, 2025, and December 31, 2024 was \$285,563 and \$236,963, respectively, and is included in accrued expenses on the consolidated balance sheets.

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NOTE 8- NOTES PAYABLE- RELATED PARTY

Notes payable - related party totaled \$2,776,920 and \$2,178,000 at December 31, 2025 and December 31, 2024, respectively.

On January 16, 2020, the Company entered into a demand note agreement with our Board Chairman, Michael V. Barbera, in the amount of \$50,000. The note has a term of 6 months bearing an interest rate of 10% per annum. On April 13, 2020, an addendum was executed, changing the terms of the note to a convertible note payable bearing an interest rate of 12% per annum. Per the addendum, the principal and accrued interest is convertible at the option of the holder after June 5, 2020, at a 20% discount of that day's closing price. See Note 6 for information regarding this convertible note payable - related party.

On April 2, 2021, the Company issued a promissory note with Paul Sallarulo, a member of our Board of Directors, in exchange for \$150,000 bearing an interest rate of 18% per annum and payable on October 2, 2022. The company also issued 1,500,000 common stock warrants at an exercise price of \$0.20 per share expiring in 5 years. The note was not paid by its due date. On April 2, 2022, the due date of this note was extended to April 1, 2024. As of the date of this report, the note has not been called.

On April 2, 2021, the Company issued a promissory note with Michael V. Barbera, our Chairman of the Board, in exchange for \$150,000 bearing an interest rate of 18% per annum and payable on October 2, 2022. The company also issued 1,500,000 common stock warrants at an exercise price of \$0.20 per share expiring in 5 years. The note was not paid by its due date. On April 2, 2022, the due date of this note was extended to April 1, 2024. As of the date of this report, the note has not been called.

On August 31, 2022, the Company issued a promissory note to a board member in exchange for \$37,000 bearing an interest rate of 10% per annum and payable on August 31, 2024.

On August 22, 2022, the Company issued a promissory note to a board member in exchange for \$20,000 bearing an interest rate of 10% per annum and payable on August 22, 2024.

On August 22, 2022, the Company issued a promissory note to a board member in exchange for \$5,000 bearing an interest rate of 10% per annum and payable on August 22, 2024.

On August 29, 2022, the Company issued a promissory note to a board member in exchange for \$25,000 bearing an interest rate of 10% per annum and payable on August 29, 2024.

On August 29, 2022, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 10% per annum and payable on August 29, 2024.

On August 31, 2022, the Company issued a promissory note to a board member in exchange for \$13,000 bearing an interest rate of 10% per annum and payable on August 31, 2024.

On September 9, 2022, the Company issued a promissory note to a board member in exchange for \$60,000 bearing an interest rate of 10% per annum and payable on August 16, 2024.

On September 9, 2022, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 10% per annum and payable on September 9, 2024.

On September 9, 2022, the Company issued a promissory note to a strategic partner in exchange for \$10,000 bearing an interest rate of 10% per annum and payable on September 9, 2024.

On September 9, 2022, the Company issued a promissory note to a strategic partner in exchange for \$15,000 bearing an interest rate of 10% per annum and payable on September 9, 2024.

On September 9, 2022, the Company issued a promissory note to an investor and advisor to the board, in exchange for \$15,000 bearing an interest rate of 10% per annum and payable on September 9, 2024.

On September 22, 2022, the Company issued a promissory note to a board member in exchange for \$42,500 bearing an interest rate of 18% per annum and payable on September 22, 2024.

On September 22, 2022, the Company issued a promissory note to an investor and advisor to the board in exchange for \$42,500

bearing an interest rate of 18% per annum and payable on September 22, 2024.

On February 14, 2023, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 20% per annum and payable on February 13, 2024.

On February 24, 2023, the Company issued a promissory note to a board member in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on February 23, 2024.

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On March 3, 2023, the Company issued a promissory note to a board member in exchange for \$15,000 bearing an interest rate of 20% per annum and payable on March 2, 2024.

On March 24, 2023, the Company issued a promissory note to a board member in exchange for \$15,000 bearing an interest rate of 20% per annum and payable on March 23, 2024.

On April 12, 2023, the Company issued a promissory note to a board member in exchange for \$150,000 bearing an interest rate of 20% per annum and payable on April 11, 2024.

On April 28, 2023, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on April 27, 2024.

On May 12, 2023, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on May 11, 2024.

On June 5, 2023, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on June 4, 2024.

On July 25, 2023, the Company issued a promissory note to a board member in exchange for \$200,000 bearing an interest rate of 20% per annum and payable on July 24, 2024.

On September 11, 2023, the Company issued a promissory note to a board member in exchange for \$150,000 bearing an interest rate of 20% per annum and payable on September 10, 2024.

On September 11, 2023, the Company issued a promissory note to an advisor to the board in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on September 10, 2024.

On November 2, 2023, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on November 1, 2024.

On December 12, 2023, the Company issued a promissory note to a board member in exchange for \$75,000 bearing an interest rate of 20% per annum and payable on December 11, 2024.

On January 9, 2024, the Company issued a promissory note to a board member in exchange for \$23,000 bearing an interest rate of 20% per annum and payable on January 8, 2025.

On March 6, 2024, the Company issued a promissory note to a board member in exchange for \$40,000 bearing an interest rate of 20% per annum and payable on March 5, 2025.

On March 21, 2024, the Company issued a promissory note to a board member in exchange for \$15,000 bearing an interest rate of 20% per annum and payable on March 20, 2025.

On May 12, 2024, the Company issued a promissory note to a board member in exchange for \$25,000 bearing an interest rate of 20% per annum and payable on May 11, 2025.

On June 26, 2024, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on June 25, 2025.

On August 13, 2024, the Company issued a promissory note to a board member in exchange for \$25,000 bearing an interest rate of 20% per annum and payable on August 12, 2025.

On September 6, 2024, the Company issued a promissory note to a board member in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on September 5, 2025.

On October 2, 2024, the Company issued a promissory note to a board member in exchange for \$100,000 bearing an interest rate of 20% per annum and payable on October 1, 2025.

On December 13, 2024, the Company issued a promissory note to a board member in exchange for \$50,000 bearing an interest rate of 20% per annum and payable on December 12, 2025.

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(Unaudited)

On April 3, 2025, the Company issued a promissory note to a board member in exchange for \$300,000 bearing an interest rate of 20% per annum and payable on April 3, 2026.

On May 20, 2025, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 20% per annum and payable on May 20, 2026.

On June 30, 2025, the Company issued a promissory note to a board member in exchange for \$5,000 bearing an interest rate of 20% per annum and payable on June 3, 2026.

On June 4, 2025, the Company issued a promissory note to a board member in exchange for \$55,000 bearing an interest rate of 20% per annum and payable on June 4, 2026.

On June 10, 2025, the Company issued a promissory note to a board member in exchange for \$10,000 bearing an interest rate of 20% per annum and payable on June 10, 2026.

On June 25, 2025, the Company issued a promissory note to a board member in exchange for \$125,000 bearing an interest rate of 20% per annum and payable on June 25, 2026.

On December 16, 2025, the Company issued a promissory note to a board member in exchange for \$30,000 bearing an interest rate of 20% per annum and payable on December 16, 2026.

On December 16, 2025, the Company issued a promissory note to a board member in exchange for \$185,000 bearing an interest rate of 20% per annum and payable on December 16, 2026.

Interest expense for the Company's notes payable - related party was \$465,792 and \$405,900 for the years ended December 31, 2025, and 2024, respectively.

Accrued interest for the Company's notes payable at December 31, 2025, and December 31, 2024, was \$1,373,016 and \$907,224, respectively, and is included in accrued expenses on the consolidated balance sheets.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

On July 9, 2021, the Company proposed a liquidation of liability to an individual with regard to a dispute concerning the acquisition of a territory from Rockstar LLC. The proposed settlement would be 500,000 shares of Basanite common stock. The Company accrued a liability in the amount of \$165,000 in connection with this matter for the year ended 2021. Subsequent to year end, the Company and the individual signed an agreement for settlement. As of this filing no further action was taken, and the accrual was reversed for the year ended 2023.

No commitments and contingencies to be disclosed for year-end December 31, 2025.

Legal Matters

From time to time, we may become involved in legal proceedings that, individually or in the aggregate, could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

As of the date of this report, the Company has filed a lawsuit in the state of South Carolina against Upstate Custom Products, LLC. The lawsuit is based on the contract entered into by both parties in August 2021 in relation to the manufacturing of the protrusion machines exclusively manufactured by Upstate Custom Products, LLC. In January 2024, the matter was moved to the Southern District of Florida.

As of this filing the lawsuit and claim for relief is ongoing.

On or about October 2023, the Company was served notice of a pending matter of litigation with GS Capital Partners of New York regarding the liquidated damages fees from the 2021 PIPE investment. This matter is presently pending in the New York Superior Court. As of this filing, the matter remains unresolved.

Due to our cash flow and liquidity challenges, we have received demand letters from several vendors to our company seeking payment of past due amounts to such vendors. As of the date of this report, such demands have not become formal litigations or other proceedings against our company, but they may become litigations against us in the future.

Except as set forth above, as of the date of this report, we are not aware of any proceedings pending against our company.

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BASANITE, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Unaudited)

Supplier Agreements

Concrete Products of the Palm Beaches

On December 10, 2021, the Company entered into an Exclusive Supplier Agreement with Concrete Products of the Palm Beaches, Inc. ("CPPB") of Riviera Beach, Florida. CPPB engaged the Company as its sole and exclusive supplier of BasaFlex, BasaMix, and BasaMesh. On December 10, 2021, the Company issued a warrant to purchase 40,000,000 shares of the Company's restricted common stock (20,000,000 shares of which had not vested as of December 31, 2021) at a price of \$0.33 per share to U.S. Supplies, Inc., an affiliate of CPPB. U.S. Supplies, Inc. and CPPB are controlled by Manny Rodriguez, a Director of the Company.

The Company generated \$0 in revenue for custom rebar products delivered under this contract for the year ended December 31, 2025, and the year ended December 31, 2024.

NOTE 10 - STOCKHOLDERS' DEFICIT

On August 17, 2021, the Company conducted the closing of a private placement offering to accredited investors of the Company's units at a price of \$0.275 per unit, with each unit consisting of: (i) one share of the Company's common stock, (ii) a five-year, immediately exercisable warrant ("Warrant A") to purchase one share of common stock at an exercise price of \$0.33 per share and (iii) an additional five-year, immediately exercisable warrant to purchase one share of common stock at an exercise price of \$0.33 per share ("Warrant B"). The Warrant A and Warrant B are identical, except that the Warrant B has a call feature in favor of the Company, as defined in the offering agreements. In connection with the closing, the Company entered into definitive securities purchase agreements with 19 accredited investors and issued an aggregate of 19,398,144 shares of common stock, Warrant A to purchase up to an aggregate of 19,398,144 shares of common stock, and Warrant B to purchase up to an aggregate of 19,398,144 shares of Common Stock (for an aggregate of 38,796,288 Warrant Shares), for aggregate gross proceeds to the Company of approximately \$5,334,490. Costs of the offering in the amount of \$611,603 were charged to additional paid in capital. As of December 31, 2022, the Company also accrued the amount of \$386,759 as liquidated damages due to the investors in the Company's August 2021 private placement, such liquidated damages being related to the Company's failure to timely file a registration statement on Form S-1 for an underwritten public offering and concurrent listing of the Common Stock on a national exchange.

During the year ended December 31, 2025, the Company issued a total 0 restricted common shares in exchange for \$0 in net cash proceeds and 7,404,044 shares of common stock for \$244,333 in services. During the year ended December 31, 2024, the Company issued a total 0 restricted common shares in exchange for \$0 in net cash proceeds.

The Company raised \$1,300,000 pursuant to a private placement of Common Stock and exercise of warrants in 2022 - this amount is carried on the balance sheet as a current liability as of December 31, 2022, because the shares had not been issued to the investors at that time. During the year ended December 31, 2023, the Company issued the shares and relieved the subscription liability. Subscription Liability as of December 31, 2025, and 2024 was \$0 respectively.

NOTE 11 - OPTIONS AND WARRANTS

Stock Options:

The following table provides the activity in options for the respective periods:

BASANITE, INC. AND SUBSIDIARIES
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(Unaudited)

Stock Options

The following table provides the activity in options for the respective periods:

	<u>Total options outstanding</u>	<u>Average Exercise price</u>	<u>Weighted average Intrinsic value</u>
Balance at January 1, 2024	1,277,778	\$0.02 - \$0.039	\$ —
Issued	68,340,450	—	—
Exercised	—	—	—
Cancelled	(1,277,778)	—	—
Balance at December 31, 2024	68,340,450	—	—
Issued	7,000,000	—	14,000
Exercised	—	—	—
Cancelled	—	—	—
Balance at December 31, 2025	75,340,450	\$0.01 - \$0.06	\$ 14,000

Stock Warrants:

The following table provides the activity in warrants for the respective periods:

	<u>Total options outstanding</u>	<u>Average Exercise price</u>	<u>Weighted average Intrinsic value</u>
Balance at January 1, 2024	122,771,288	\$0.2 - \$0.35	\$ 3,824,750
Issued	—	—	—
Exercised	—	—	—
Cancelled	(1,218,625)	—	—
Balance at December 31, 2024	121,552,663	—	3,824,750
Issued	—	—	—
Exercised	—	—	—
Cancelled	—	—	—
Balance at December 31, 2025	121,552,663	\$0.20 - \$0.35	\$ 3,824,750

NOTE 12 - MATERIAL AGREEMENTS

Issuances 2024

On October 2, 2024, Ali Manav agreed to become the Acting Chief Executive Officer of Basanite, Inc. (the "Company") through June 30, 2025. As an independent contractor, Mr. Manav has been performing advisory services to our Company since September 1, 2024. Mr. Manav's services to the Company will be at a monthly salary of \$17,250 plus expenses approved by the Chairman. The monthly salary of \$17,250 will be deferred and accrued until such time as

\$1,000,000 is raised by the Company and at which time any deferred compensation will be paid immediately to him. Upon \$1,000,000 being raised by the Company, the Company will also pay Mr. Manav his monthly salary on the first day of each month through June 2025. Mr. Manav also received options to purchase 5 million shares of the Company's common stock with a strike price

of \$.0275 equal to the closing price of the Company's common stock as quoted by the OTCQB Market on the date of signing his engagement letter. The option will have a term of five years from the date of issuance. The options will also contain standard cashless exercise provisions as well as piggy-back registration rights for future stock registrations that the Company may file. The options vest under the following schedule: 1.5 million options immediately upon the execution of his engagement agreement, 1.5 million options vest upon the completion of a minimum of \$1 million of aggregate financing into the Company after the date of his engagement letter and 2 million options vesting upon the anniversary of the first 90-day period the Company achieves operational break even as defined in the engagement letter. Mr. Manav received \$25,000 upon execution of the engagement letter for work conducted in September of 2024. As an independent contractor, Mr. Manav is not entitled to receive any employee benefits. The engagement letter will automatically terminate no later than June 30, 2025, unless the Company and Mr. Manav mutually agree on an extension. As of this filing Mr. Manav has transitioned to an operational executive role in preparation for our forthcoming manufacturing facility in Twinsburg, Ohio.

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BASANITE, INC. AND SUBSIDIARIES
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(Unaudited)

On October 2, 2024, Steve Heard agreed to become an advisor to the Board of Directors of Basanite, Inc. (the "Company") through June 30, 2025. As an independent contractor, Mr. Heard will advise the Board of Directors and Management of the Company on matters relating to capital markets, investor relations, and business development and introduce potential strategic partners and investors to the Company. A one-time fee of \$37,500 will be deferred and accrued until such time as \$1,000,000 is raised by the Company and which time any deferred compensation will be paid immediately to him. Mr. Heard also received options to purchase 7.5 million shares of the Company's common stock with a strike price of \$.0275 equal to the closing price of the Company's common stock as quoted by the OTCQB Market on the date of signing his engagement letter. The option will have a term of five years from the date of issuance. The options will also contain standard cashless exercise provisions as well as piggy-back registration rights for future stock registrations that the Company may file. The options vest under the following schedule: 3.75 million options immediately upon the execution of his engagement agreement, 3.75 million options vest upon the completion of a minimum of \$1 million of aggregate financing into the Company after the date of his engagement letter. As an independent contractor, Mr. Heard is not entitled to receive any employee benefits. The engagement letter will automatically terminate no later than June 30, 2025 unless the Company and Mr. Heard mutually agree on an extension.

On October 2, 2024, Maxwell J. Heard agreed to become an advisor to the Board of Directors of Basanite, Inc. (the "Company") through June 30, 2025. As an independent contractor, Mr. Heard will advise the Board of Directors and Management of the Company on matters relating to capital markets, investor relations, and business development and introduce potential strategic partners and investors to the Company. A one-time fee of \$12,500 will be deferred and accrued until such time as \$1,000,000 is raised by the Company and which time any deferred compensation will be paid immediately to him. Mr. Heard also received options to purchase 2.5 million shares of the Company's common stock with a strike price of \$.0275 equal to the closing price of the Company's common stock as quoted by the OTCQB Market on the date of signing his engagement letter. The option will have a term of five years from the date of issuance. The options will also contain standard cashless exercise provisions as well as piggy-back registration rights for future stock registrations that the Company may file. The options vest under the following schedule: 1.25 million options immediately upon the execution of his engagement agreement, 1.25 million options vest upon the completion of a minimum of \$1 million of aggregate financing into the Company after the date of his engagement letter. As an independent contractor, Mr. Heard is not entitled to receive any employee benefits. The engagement letter will automatically terminate no later than June 30, 2025 unless the Company and Mr. Heard mutually agree on an extension.

On October 2, 2024, Frederick Berndt agreed to become an advisor to the Board of Directors of Basanite, Inc. (the "Company") through June 30, 2025. As an independent contractor, Mr. Berndt will advise the Board of Directors and Management of the Company on matters relating to capital markets, investor relations, and introduce potential strategic partners and investors to the Company. A one-time fee of \$50,000 will be deferred and accrued until such time as \$1,000,000 is raised by the Company and which time any deferred compensation will be paid immediately to him. Mr. Berndt also received options to purchase 10 million shares of the Company's common stock with a strike price of \$.0275 equal to the closing price of the Company's common stock as quoted by the OTCQB Market on the date of signing his engagement letter. The option will have a term of five years from the date of issuance. The options will also contain standard cashless exercise provisions as well as piggy-back registration rights for future stock registrations that the Company may file. The options vest under the following schedule: 3 million options immediately upon the execution of his engagement agreement, 3 million options vest upon the completion of a minimum of \$1 million of aggregate financing into the Company after the date of his engagement letter and 4 million options vesting upon the anniversary of the first 90-day period the Company achieves operational break even as defined in the engagement letter. Mr. Berndt is not entitled to receive any employee benefits. The engagement letter will automatically terminate no later than June 30, 2025, unless the Company and Mr. Berndt mutually agree on an extension.

BASANITE, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited)

NOTE 13 - SUBSEQUENT EVENTS

On June 24, 2026 – the Company announced that it has executed a term sheet with Eastman Minerals and SAMCO, LLC outlining the framework for a proposed \$2.0 million investment in the Goroya Cawl Processing Plant a gold processing project located in Somaliland.

Item 14 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker None

2. Promoter None

3. Securities Counsel:

Steven Morse, Esq.
Morse & Morse, PLLC
2100 Deer Park Ave., Ste. 1A
Deer Park, NY 11729
Tel: 516-487-1446

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

Unaudited or reviewed

5. Public Relations Consultant None
6. Investor Relations Consultant - None
7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor. - None

Item 15 Management's Discussion and Analysis or Plan of Operation.

You should read the following discussion and analysis together with the consolidated financial statements and the related notes to those statements included in "Item 8 - Consolidated Financial Statements and Supplementary Data." The discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

The following is a high-level discussion of our operating results and some of the trends that affect our business. We believe that an understanding of these trends is important to understand our financial results for the years ended December 31, 2024, and 2023. This summary is not intended to be exhaustive, nor is it intended to be a substitute for the detailed discussion and analysis provided elsewhere in this Annual Report, and our audited and unaudited consolidated financial statements and accompanying notes included in this Annual Report.

On May 30, 2006, our company was formed as a Nevada corporation under the name Nevada Processing Solutions, Inc. Currently, through our wholly owned subsidiary, Basanite Industries, LLC, a Delaware limited liability company ("BI"), we manufacture a range of "green" (environmentally friendly), sustainable, non-corrosive, lightweight, composite products used in concrete reinforcement by the construction industry. Our core product is BasaFlex™, a basalt fiber reinforced polymer reinforcing bar ("rebar") which we believe is a stronger, lighter, sustainable, non-conductive, and corrosion-proof alternative to traditional steel.

Our two other main product lines are BasaMix™, which are fine denier basalt fibers available in various chopped sizes, and BasaMesh™, a line of Basalt Geogrid Mesh Rolls, intended to replace welded wire mesh (made of steel) and other fiber reinforced polymer grids and mesh.

While we believe our products have great market potential and have begun to gain some acceptance in the market (as evidenced by the beginning of revenue growth which occurred in 2021 as discussed below), we are currently conducting relatively limited operations due to a lack of adequate funding and manufacturing facilities. We are working to secure additional funding and a new manufacturing facility in Ohio to meet what we believe will be increasing demand for our products, but until such funding is obtained, there will remain substantial doubt regarding our ability to continue as a going concern.

Material Factors Impacting Our Operations

Inflation & interest Rate Sensitivity

In the past fiscal years, inflation has not had a significant impact on our business. However, during the second half of 2021, throughout 2024, the U.S. economy has entered into a period of increasing inflation. Should inflation persist or increase, interest rates rise and could have a significant effect on the economy in general and, thereby, could affect prices for raw materials we use, demand for our products, our ability to attract and retain skilled labor and our future operating results.

Supply Chain

In the past year, supply chain shortages or delays have had an immaterial impact on our operations. Relationships with our raw materials suppliers have maintained a consistent flow of goods received monthly. Domestic suppliers have increased

their in-stock flows to maintain adequate levels for our manufacturing needs. However, we might experience supply chain challenges in the future, which could harm our business and our results of operations.

War in Ukraine

The recent war in Ukraine has led the world to issue sanctions on the government of Russia. This has shut down our ability to procure basalt fiber material from our primary supplier, BWF. Nonetheless, we are currently qualifying alternate material from other suppliers to preserve our options.

Government Approvals and Specifying of our Products

We continue to pursue additional product and facility qualifications and approvals, and these qualifications and approvals are critical to the market acceptance of our products. BI is currently testing products at two independent laboratories and received ICC-ES certification, which was granted in the second quarter of 2023, and a Florida Department of Transportation ("FDOT") production facility and product approval, which was also granted in the second quarter of 2023 (we are already selling to FDOT projects on an individual basis through exemptions or specs). The FDOT approval will allow us to bid on any project approved for BFRP. We anticipate that with these two approvals the prospects of new projects will increase.

Results of Operations

Revenue - We had \$67,459 of revenues as a result of sales of finished goods sold for the year ended December 31, 2025, compared to \$434,275 in the prior year. While the decrease in revenue in the year over year periods was material due to our ability to sell some BasaMix™ product in 2025, overall revenues have been minimal due to our lack of funding and as a result of our limited manufacturing capabilities as we await the new BasaMax equipment.

Cost of Goods Sold - During the year ended December 31, 2025, we had cost of sales of \$149,958 compared to \$172,191 in the prior year. During 2025, the company lost money on a gross margin basis due to write off on significant inventory, and further due to extremely narrow margins on the initial sales of our products as we began introducing them to the marketplace as well as limited manufacturing capabilities.

Operating Expenses

Selling, General, and Administrative Expenses - During the year ended December 31, 2025, selling, general, and administrative were \$1,178,368 compared to \$1,067,059 in the prior year. The primary components of selling, general, and administrative expenses were as follows:

- *Payroll and Payroll Taxes* - During the year ended December 31, 2025, payroll and payroll taxes were \$322,901 compared to \$249,092 in the prior year. We retained a total of 0 and 2 employees during the periods ending December 31, 2025 and 2024, respectively.
- *Professional Fees* - During the year ended December 31, 2025, professional fees were \$273,587 compared to \$212,551 in the prior year. The increase was primarily due to the increase in activities regarding legal and compliance fees in relation to litigation and fundraising activities in the prior year.
- *Consulting Fees* - During the year ended December 31, 2025, consulting fees were \$314,533 compared to \$126,250 in the prior year. The decrease was due to the number of consulting agreements and accrual models of agreements with our prior Acting Interim Chief Executive Officer, Ali Manav.
- *Facilities and Related Costs* - During the year ended December 31, 2025, costs related to our facilities were \$40,147 compared to \$37,352. These costs consisted primarily of rent in the amount of \$36,315 and utilities in the amount of \$737.
- *Depreciation and Amortization* - During the year ended December 31, 2025, depreciation and amortization was \$133,279 compared to \$120,259 in the prior year.

Other Income (Expenses)

Interest Expense - During the year ended December 31, 2025, interest expense was \$943,264 compared to \$924,767 in the prior year. The increase is primarily due to an increase in the principal amount of debt outstanding during the current period.

Liquidity and Capital Resources

Since the inception, we have incurred net operating losses and generated negative cash flows in operations. As of December 31, 2025, we had an accumulated deficit of \$60,184,179. On December 31, 2025, we had cash of \$0 compared to \$82,222 at December 31, 2024, and as of the date of this Annual Report, we have minimal cash on hand, and any funds we can presently raise (either from revenue generating operations or through investment) are rapidly consumed.

Also, we have incurred and continue to incur significant general and administrative and other expenses associated with our product development and the establishment and proposed expansion of our manufacturing facility, beginning revenue generating operations, developing our business model, stock-based compensation and operating as a public company. We expect operating losses to continue for the foreseeable future, and we presently require and expect to continue to require substantial additional financing for continued support of our BFRP manufacturing business until we generate sufficient revenues to achieve positive cash flow.

Furthermore, we currently owe approximately \$2,144,357 plus \$1,422,306 of accrued interest under a 20% Convertible Promissory Note held by The Richard A. LoRicco Sr. and Lucille M. LoRicco Irrevocable Insurance Trust OTO 4/28/95, which is a related party associated with our director Ronald LoRicco. This note matured on February 12, 2024, and as of the date of this Annual Report, no event of default has been called by the note holder.

In addition, throughout 2025, we entered into several simple Promissory Notes with certain related parties and their associates for total proceeds \$720,000. These notes each carried a 12-month term of interest between 10% to 20% simple interest and are now due or about to come due. The accumulated interest under all outstanding notes is currently approximately \$1,373,016. Given our limited cash resources at this time, we have been unable to repay this indebtedness. While we may seek to extend the maturity dates of this indebtedness, we may be unsuccessful in doing so. If all or any of these note holders elect to call an event of default under these notes, we may have increased difficulty raising additional funds and we could be forced into bankruptcy.

All of these conditions raise substantial doubt about our ability to continue as a going concern.

We have historically satisfied our working capital requirements through the sale of restricted common stock and the issuance of warrants and promissory notes. We will continue our fundraising efforts until we have obtained positive cash flow to cover our expenses. No assurances can be given that the Company will be successful in raising future capital.

Notwithstanding proceeds from the sale of our common stock in early 2022, the current working capital and projected sales revenue are insufficient to maintain our current operations. In order to scale up our manufacturing operations and reach a level of sales revenue sufficient to provide positive cash flow, we require funding of about 6 million dollars for both our expansion plan and our operating deficit through the scaling period. We will attempt to raise this capital through third party financing, including a private placement and/or public offering of our securities as well as bridge loan arrangements. We cannot provide any assurances that the required capital will be obtained or if financing is available, that the terms of such required financing may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities to reduce our cash use until sufficient funding is secured, and our business might fail.

Cash Flows

Net cash used in operating activities amounted to \$680,591 and \$401,026 for the years ended December 31, 2025, and 2024, respectively.

During the years ended December 31, 2025, and 2024, we purchased \$551 and \$0 assets for cash, respectively.

During the year ended December 31, 2025, and 2024, we received \$598,920 and \$428,000 in net cash provided by financing activities respectively.

Summary of Critical Accounting Policies

Inventory

The Company's inventories consist of raw materials, work in process and finished goods, both purchased and manufactured. The Company does not possess at present any inventories from which to manufacture or sell finished goods.

Use of Estimates

The preparation of the accompanying Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Stock-based compensation and stock awards related to convertible debt instruments are recognized based on the fair value

of the awards granted. The fair value of each award or conversion feature is estimated on the grant date using the Black-Scholes pricing model. The Black-Scholes pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates and the expected dividend yield of our common stock. The assumptions used to determine the fair value of the stock awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

Recent Accounting Pronouncements

There are several new accounting pronouncements issued or proposed by the FASB. Each of these pronouncements, as applicable, has been or will be adopted by us. Management does not believe any of these accounting pronouncements has had or will have a material impact on our consolidated financial position or operating results. See note 3 to the accompanying audited financial statements for further information.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

- A. List below any events, in chronological order, that resulted in direct changes to the total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, including debt convertible into equity securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;

- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares, whether they are restricted or unrestricted; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On June 10, 2025, 7,404,044 restricted common shares were issued to Jackie Placeres, a former officer, at \$0.033 per share for services totaling \$244,333.

- B. List below and describe any issuance of Promissory Notes, Convertible Notes, or Convertible Debentures. In responding to this item, please provide the date of execution of the Note or the Agreement, a description of the reason for the issuance, the outstanding balance and any interest accrued. Provide the maturity dates for each Note or Agreement, their conversion terms, names of beneficial owners or holders and the exact class of security such Notes or Agreement may be converted to. Also, specify if the Note is Secured or Unsecured and whether or not it is in Default.

Type	Holder	Execution Date	Initial Balance	Ending balance	Accrued interest	Secured	Default
Notes Payable	Investor	4/2/2021	200,000	200,000	171,025	No	No
Notes Payable	investor	4/9/2021	50,000	50,000	42,584	No	No
Notes Payable	Investor	4/16/2021	25,000	-	-	No	No
Notes Payable	Investor	4/16/2021	20,000	20,000	16,964	No	No
Notes Payable - Related Party	Michael Barbera	1/16/2020	300,000	-	253,101	No	No
Notes Payable - Related Party	Paul Sallarulo	4/16/2021	150,000	150,000	127,233	No	No
Notes Payable - Related Party	Michael Barbera	4/2/2021	150,000	150,000	128,268	No	No
Notes Payable - Related Party	Board member	8/1/2022	37,000	37,000	12,651	No	No
Notes Payable - Related Party	Board member	8/22/2022	20,000	20,000	6,723	No	No
Notes Payable - Related Party	Board member	8/22/2022	5,000	5,000	1,681	No	No
Notes Payable - Related Party	Board member	8/29/2022	25,000	25,000	8,356	No	No
Notes Payable - Related Party	Board member	8/29/2022	10,000	10,000	3,342	No	No

Notes Payable - Related Party	Board member	8/31/2022	13,000	13,000	4,338	No	No
Notes Payable - Related Party	Board member	9/9/2022	60,000	60,000	19,874	No	No
Notes Payable - Related Party	Board member	9/9/2022	10,000	10,000	3,312	No	No
Notes Payable - Related Party	Board member	9/9/2022	10,000	10,000	3,312	No	No
Notes Payable - Related Party	Board member	9/9/2022	15,000	15,000	4,968	No	No
Notes Payable - Related Party	Advisor	9/9/2022	15,000	15,000	4,968	No	No
Notes Payable - Related Party	Board Member	9/22/2022	42,500	42,500	25,067	No	No
Notes Payable - Related Party	Board member	9/23/2022	42,500	42,500	25,046	No	No
Notes Payable - Related Party	Board member	9/22/2022	10,000	10,000	6,553	No	No
Notes Payable - Related Party	Board member	2/14/2023	10,000	10,000	5,759	No	No
Notes Payable - Related Party	Board member	2/14/2023	50,000	50,000	28,795	No	No
Notes Payable - Related Party	Board member	3/3/2023	15,000	15,000	8,499	No	No
Notes Payable - Related Party	Board member	3/24/2023	15,000	15,000	8,326	No	No
Notes Payable - Related Party	Board member	4/12/2023	150,000	150,000	81,699	No	No
Notes Payable - Related Party	Board member	4/5/2023	20,000	20,000	10,970	No	No
Notes Payable - Related Party	Board member	4/28/2023	100,000	100,000	53,589	No	No
Notes Payable - Related Party	Board member	5/12/2023	100,000	100,000	52,822	No	No
Notes Payable - Related Party	Board member	6/5/2023	100,000	100,000	51,507	No	No
Notes Payable - Related Party	Board member	7/25/2023	200,000	200,000	97,534	No	No
Notes Payable - Related Party	Board member	9/11/2023	150,000	150,000	69,205	No	No
Notes Payable - Related Party	Board member	9/11/2023	50,000	50,000	23,068	No	No
Notes Payable - Related Party	Board member	11/2/2023	100,000	100,000	43,288	No	No
Notes Payable - Related Party	Board member	12/12/2023	75,000	75,000	30,822	No	No
Notes Payable - Related Party	Board member	1/9/2024	23,000	23,000	9,099	No	No
Notes Payable - Related Party	Board member	3/6/2024	40,000	40,000	14,575	No	No

Notes Payable - Related Party	Board member	3/21/2024	15,000	15,000	5,342	No	No
Notes Payable - Related Party	Board member	5/12/2024	25,000	25,000	8,192	No	No
Notes Payable - Related Party	Board member	6/26/2024	100,000	100,000	30,301	No	No
Notes Payable - Related Party	Board member	8/13/2024	25,000	25,000	6,918	No	No
Notes Payable - Related Party	Board member	9/6/2024	50,000	50,000	13,178	No	No
Notes Payable - Related Party	Board member	10/2/2024	100,000	100,000	24,932	No	No
Notes Payable - Related Party	Board member	12/13/2024	50,000	50,000	10,493	No	No
Notes Payable - Related Party	Richard LoRicco	4/3/2025	300,000	178,920	13,333	No	No
Notes Payable - Related Party	RVRM	5/29/2005	10,000	10,000	20,605	No	No
Notes Payable - Related Party	RVRM	6/3/2025	5,000	5,000	289	No	No
Notes Payable - Related Party	RVRM	6/4/2025	55,000	55,000	3,164	No	No
Notes Payable - Related Party	RVRM	6/10/2025	10,000	10,000	559	No	No
Notes Payable - Related Party	RVRM	6/25/2025	125,000	125,000	6,473	No	No
Notes Payable - Related Party	RVRM	12/16/2025	30,000	30,000	123	No	No
Notes Payable - Related Party	RVRM	12/16/2025	185,000	185,000	760	No	No
Convertible Debt - Related Party	RLVC trust	9/12/2022	1,689,746	1,689,745	1,116,621	No	No
Convertible Debt - Related Party	RLVC trust	6/30/2022	454,612	454,612	318,851	No	No
			-	-	-		
Totals				5,191,277	3,039,061		

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 17 Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through www.OTCIQ.com or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;

- 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
- 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
- 4) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

None

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

The Company has an Option and Warrant Plan available for Employees and Contractors. On December 31, 2025, there are 75,340,450 options outstanding with an intrinsic value of \$14,000 and 121,552,663 warrants outstanding with an intrinsic value of \$3,824,750.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item 18 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item 20 with respect to any purchase made by or on behalf of the issuer or any "Affiliated

Purchaser" (as defined in paragraph (C) of this Item 19) of shares or other units of any class of the issuer's equity securities. None

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month #1 (identify beginning and ending dates)				
Month #2 (identify beginning and ending dates)				
Month #3 (identify beginning and ending dates)				
Total				

B. The table shall include the following information for each class or series of securities for each month included in the period covered by the report:

1. The total number of shares (or units) purchased (Column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced

plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (e.g., whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company's obligations upon exercise of outstanding put options issued by the company, or other transactions).

2. The average price paid per share (or unit) (Column (b)).
 3. The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (Column (c)).
 4. The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (Column (d)).
- C. For purposes of this Item 19, "Affiliated Purchaser" means:
1. A person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or
 2. An affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however*, that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer, or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer or director's participation in the decision to authorize purchases by or on behalf of the issuer.

Item 20 Issuer's Certifications.

I, Ronald LoRicco, SR., certify that:

1. I have reviewed this annual report of Bassanite Inc and Subsidiaries;
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.

Date: June 26, 2026

/s/ Ronald LoRicco, Sr
Ronald LoRicco, Sr
Acting Interim Chief Executive Officer
and Acting Interim Chief Financial
Officer