



Nanophase Reports First Quarter 2019 Financial Results

May 15, 2019

Announces 30% Growth for Quarter and Strong Formulated Product Sales

The company's financial conference call is scheduled for May 16th at 11am EDT

Romeoville, IL, - May 15, 2019 - Nanophase Technologies Corporation (**OTCQB: NANX**), a leader in minerals-based personal care ingredients and formulated products for protecting skin from environmental aggressors, such as UV light and pollution, today reported financial results for the first quarter period ended March 31, 2019.

"It remains an exciting time for our business, particularly as the market for our minerals-based personal care ingredients and Solesence products continue to improve. Solesence revenue was \$0.9 million in the first quarter, compared to \$1.4 million for the full year of 2018," commented Nanophase CEO and President Jess Jankowski."

"We've underperformed over the past two quarters, as a result of an all-out push to satisfy customer demand, followed by a sizeable reduction in personal care ingredients revenue for 2019, when compared to 2018. These things necessitated the we raise capital this month to ensure that we can continue to execute on our growth strategy."

"Our Solesence business just enjoyed another product launch through a leading natural skin and body care brand, resulting in low six-figure revenue for the first quarter of 2019. This product has already received recognition as being one of the best in its class, and we have received a reorder for this product, which we believe demonstrates its strong acceptance by consumers. By the end of the second quarter, we will have over a dozen different brands marketing products developed and manufactured through our Solesence business."

[2019 Q1 Financial Information](#)

First Quarter 2019 Financial Highlights

- -Revenue for the first quarter was \$3.8 million, vs. \$2.9 million reported during the same period of 2018.
- -The net loss for the quarter was \$0.5 million in 2019, or \$0.02 per share, compared to a net loss of \$0.9 million, or \$0.03 per share, for 2018.
- -The Company finished the quarter with approximately \$0.6 million in cash and cash equivalents.

Jankowski continued, "We feel that the financial results in over the past two reporting quarters do not reflect the commercial progress we've made in our Solesence-driven growth strategy. A series of costs related to bringing the assembly of the finished goods in house negatively impacted our bottom line. We expect to continually improve our effectiveness in this area throughout the year as we bring on additional manufacturing capability. In both our Personal Care Ingredients business and in our Solesence business, we are making exciting and life-enhancing products that are in high demand by the market. We particularly expect the continued growth of Solesence to demonstrate this in 2019."

First Quarter 2019 Conference Call

The Nanophase conference call, to be hosted by Jess Jankowski, the Company's President & CEO, is scheduled for May 16, 2019, at 10:00 a.m. CDT, 11:00 a.m. EDT. The conference call dial-in number for U.S. callers is 877-312-8776 and for international callers is 408-774-4007. The conference ID is 5282146. Please dial in to the conference at least five minutes before the call is scheduled to begin.

The call may also be accessed through the company's website, at www.nanophase.com, by clicking on Investor Relations, Investor News and the link in the conference call announcement release.

Use of Non-GAAP Financial Information

Nanophase believes that the presentation of results excluding certain items, such as non-cash equity compensation charges, provides meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods. The Company uses these non-GAAP measures for internal planning and reporting purposes. These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or net income per share prepared in accordance with generally accepted accounting

principles.

About Nanophase Technologies

Nanophase Technologies Corporation (NANX), www.nanophase.com, is a leader in minerals-based personal care ingredients and formulated products for protecting skin from environmental aggressors, such as UV light and pollution, as well as providing solutions for industrial product applications. Using a platform of patented and proprietary integrated technologies, the Company creates products with unique performance attributes from two ISO 9001 and ISO 14001 registered facilities. Nanophase delivers commercial quantity and quality engineered materials both as ingredients, and as part of fully formulated products, in a variety of formats.

Forward-Looking Statements

This press release contains words such as “expects,” “shall,” “will,” “believes,” and similar expressions that are intended to identify forward-looking statements within the meaning of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Such statements in this announcement are made based on the Company’s current beliefs, known events and circumstances at the time of publication, and as such, are subject in the future to unforeseen risks and uncertainties that could cause the Company’s results of operations, performance and achievements to differ materially from current expectations expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, without limitation, the following: a decision by a customer to cancel a purchase order or supply agreement in light of the Company’s dependence on a limited number of key customers; uncertain demand for, and acceptance of, the Company’s nanocrystalline materials; the Company’s manufacturing capacity and product mix flexibility in light of customer demand; the Company’s limited marketing experience; changes in development and distribution relationships; the impact of competitive products and technologies; the Company’s dependence on patents and protection of proprietary information; the resolution of litigation in which the Company may become involved; the impact of any potential new government regulations that could be difficult to respond to or too costly to comply with while remaining financially viable; the ability of the Company to maintain an appropriate electronic trading venue; and other factors described in the Company’s Form 10-K filed April 4, 2019. In addition, the Company’s forward-looking statements could be affected by general industry and market conditions and growth rates. Except as required by federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events, uncertainties or other contingencies.