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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 15, 2024**

NEXGEL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-41173**	**26-4042544**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2150 Cabot Boulevard West, Suite B Langhorne, Pennsylvania	**19067**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(215) 702-8550**

(Former name or former address, if changed since last report)
Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001	NXGL	The Nasdaq Capital Market LLC
Warrants to Purchase Common Stock	NXGLW	The Nasdaq Capital Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

Item 1.01. Entry into a Material Definitive Agreement.

On May 15, 2024 (the "***Closing Date***"), NexGel, Inc., a Delaware corporation (the "***Company***"), entered into and closed a transaction related to an Asset Purchase Agreement dated May 15, 2024 (the "***Purchase Agreement***") with Semmens Online Pty Ltd as Trustee for Semmens Business Trust, an Australian proprietary limited (the "***Seller***"), whereby the Company purchased all assets related to the Seller's eyeliner, fake eyelashes, lash growth serum and mascara business operating under the tradename "Silly George" (collectively, the "***Business***").

Under the terms of the Purchase Agreement and on the Closing Date, the Company paid the Seller a cash payment of $400,000 (the "***Initial Cash Payment")*** and will issue within 5 trading days of the Closing Date $200,000 in shares of the Company's common stock based on the 10-Day VWAP (as defined in the Purchase Agreement), or 89,892 of shares of the Company's common Stock (the "***Stock Payment***"). The Initial Cash Payment is not subject to any escrow conditions. Additionally, the Company shall pay the Seller a cash earn-out based on 20% of the Net Profit (as defined in the Purchase Agreement) related to the Business for the fiscal quarterly period beginning June 30, 2024 and ending on June 30, 2028 2024 (the "***Earn-Out Payments***"). The Initial Cash Payment, the Stock Payment and Earn-Out Payments are collectively referred to herein as the Purchase Price.

The Purchase Agreement and the transaction contemplated thereby are not subject to approval by the shareholders of the Company. The Purchase Agreement contains standard representations and warranties regarding the Seller and the Business and certain limited representations and warranties regarding the Company. The Purchase Agreement also contains indemnification provisions for the benefit of the Company and the Seller. Neither the Company nor the Seller shall be liable for more than 60% of the Purchase Price under the indemnification provisions except in the case of fraud or willful misconduct. The Seller and the Seller's director and owner agreed to 5-year non-compete provisions as part of the Purchase Agreement.

This summary of certain terms of the Purchase Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement, a copy of which is attached hereto as Exhibit 10.1 and is hereby incorporated into this Current Report on Form 8-K (this "***Form 8-K***") by reference.

The Purchase Agreement has been included solely to provide investors and security holders with information regarding its terms. It is not intended to be a source of financial, business or operational information, or to provide any other factual information, about the Company, the Seller or their respective subsidiaries or affiliates. The representations, warranties and covenants contained in the Purchase Agreement are made only for purposes of the Purchase Agreement and are made as of specific dates; are solely for the benefit of the parties (except as specifically set forth therein); may be subject to qualifications and limitations agreed upon by the parties in connection with negotiating the terms of the Purchase Agreement; and may be subject to standards of materiality and knowledge applicable to the contracting parties that differ from those applicable to investors or security holders. Investors and security holders should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company, the Seller or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Purchase Agreement, as applicable, which subsequent information may or may not be fully reflected in public disclosures.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 of this Form 8-K is incorporated herein by reference in its entirety.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Form 8-K is incorporated herein by reference in its entirety.

The Stock Payment is being issued in a private placement transaction that will rely upon an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "***Securities Act***"). The shares of the Company's common stock issued in connection with the Stock Payment will be "restricted securities" as such term is defined by the Securities Act.

Item 8.01. Other Events.

On May 16, 2024, the Company issued a press release announcing the acquisition of the Business. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference in its entirety.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

(b) Pro forma financial information.

No financial statements and/or pro forma financial information will be required to be filed with the Securities and Exchange Commission relating to the acquisition of the Business.

(d) Exhibits

10.1	Asset Purchase Agreement dated May 15, 2024 between NexGel, Inc. and Semmens Online Pty Ltd as Trustee for Semmens Business Trust (schedules and exhibits identified in the Purchase Agreement have been omitted pursuant to Item 601b.2 of Regulation S-K).
99.1	Press release issued by NexGel, Inc. on May 16, 2024.
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

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

Date: May 20, 2024

NEXGEL, INC.

By: */s/ Adam Levy*
Adam Levy
Chief Executive Officer

Exhibit 10.1

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") entered into on as of May 15, 2024, by and between NexGel, Inc., a Delaware corporation (the "Buyer"), and Semmens Online Pty Ltd as Trustee for Semmens Business Trust, an Australian proprietary limited (the "Seller"). The Buyer and the Seller are referred to collectively herein as the "Parties" and individually as a "Party".

BACKGROUND

This Agreement contemplates a transaction in which the Buyer will purchase all assets directly or indirectly related to the Seller's eyeliner, fake eyelashes, lash growth serum and mascara business operating under the tradename "Silly George" (the "Business") in return for the consideration set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

"10-Day VWAP" means the volume weighted average price of the shares of the Buyer's Common Stock, par value $0.001, traded on the Nasdaq Capital Market, or any other national securities exchange on which the shares of Common Stock are then traded, for the ten (10) trading days ending on the first trading day immediately preceding the Closing Date.

"Accredited Investor" has the meaning set forth in Regulation D promulgated under the Securities Act.

"Acquired Assets" means all right, title, and interest in and to all of the assets relating to the Business including but not limited to those assets set forth on Schedule A attached hereto.

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and reasonable attorney's fees and expenses.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Affiliated Group" means any affiliated group within the meaning of Code §1504(a).

"Applicable Rate" means the corporate base rate of interest publicly announced from time to time by Wells Fargo Bank, N.A. plus 2% per annum.

"Assumed Liabilities" means any Liability relating to the Business set forth on Schedule B attached hereto; *provided, however*, that the Assumed Liabilities shall not include (i) any Liability not specifically identified on Schedule B attached hereto, (ii) any Liability of the Seller for unpaid Taxes for periods prior to the Closing, (iii) any Liability of the Seller for income, transfer, sales, use, and other Taxes arising in connection with the consummation of the transactions contemplated hereby, (iv) any Liability of the Seller for the unpaid Taxes of any Person other than the Seller under Reg. §1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract or otherwise, (v) any obligation of the Seller to indemnify any Person by reason of the fact that such Person was a director, officer, employee, or agent of the Seller or was serving at the request of the Seller as a partner, trustee, director, officer, employee, or agent of another entity (whether such indemnification is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses, or otherwise and whether such indemnification is pursuant to any statute, charter document, bylaw, agreement, or otherwise), (vi) any Liability of the Seller for costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, or (vii) any Liability or obligation of the Seller under this Agreement (or under any side agreement between the Seller on the one hand and the Buyer on the other hand entered into on or after the date of this Agreement).

"Basis" means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that forms or could be reasonably expected to form the basis for any specified consequence.

"Business" has the meaning set forth in the recitals above.

"Business Day" (whether or not capitalized) means any day that is not a Saturday or a Sunday or a day on which banks located in New York are authorized or required to be closed.

"Buyer" has the meaning set forth in the preface above.

"Buyer Change of Control" means the following:

(a) a merger or consolidation in which

(i) the Buyer is a constituent party or

(ii) a subsidiary of the Buyer is a constituent party and the Buyer issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Buyer or a subsidiary in which the shares of capital stock of the Buyer outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Buyer or any subsidiary of the Buyer of all or substantially all the assets of the Buyer and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Buyer if substantially all of the assets of the Buyer and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Buyer.

"Closing" has the meaning set forth in §2(d) below.

"Closing Date" has the meaning set forth in §2(d) below.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any information concerning the businesses and affairs of the Business that is not already generally available to the public provided further that confidential information shall not include any information if (i) it becomes available from a third party not bound by an agreement of confidentiality; (ii) was rightfully known to a party prior to disclosure by the other party; (iii) is made available by the disclosing party to the public without restrictions; (iv) is disclosed by a party with prior written permission of the other party; (v) is independently developed or learned by the recipient party through legitimate means; (vi) is disclosed pursuant to applicable laws, regulations, or order of a court of competent jurisdiction, or by the recipient in defense of a claim against the recipient.

"Deferred Intercompany Transaction" has the meaning set forth in Reg. §1.1502-13.

"Disclosure Schedule" has the meaning set forth in §3 below.

"Employee Benefit Plan" means any "employee benefit plan" (as such term is defined in ERISA §3(3)) and any other material employee benefit plan, program or arrangement of any kind.

"Employee Pension Benefit Plan" has the meaning set forth in ERISA §3(2).

"Employee Welfare Benefit Plan" has the meaning set forth in ERISA §3(1).

"Encumbrance" means any mortgage, lien, security interest, security agreement, conditional sale or other title retention agreement, pledge, option, right of first refusal, right of first offer, charge, assessment, restriction on transfer or any exception to or defect in title or other ownership interest (including reservations, rights of way, possibilities of reverter, encroachments, easements, rights of entry, restrictive covenants, leases and licenses).

"Environmental, Health, and Safety Requirements" shall mean all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means each entity which is treated as a single employer with the Seller for purposes of Code §414.

"Excess Loss Account" has the meaning set forth in Reg. §1.1502-19. .

"Financial Statements" has the meaning set forth in §3(g) below.

"Improvements" has the meaning set forth in §3(l) below.

"Indemnified Party" has the meaning set forth in §8(d) below.

"Indemnifying Party" has the meaning set forth in §8(d) below.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including source code, executable code, data, databases and related documentation), (g) all advertising and promotional materials, (h) all other proprietary rights, and (i) all copies and tangible embodiments thereof (in whatever form or medium).

"Knowledge" means actual knowledge after due inquiry of Miranda Semmens and any other individual specifically referred to herein after reasonable inquiry.

"Leased Real Property" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property held by the Business.

"Leases" means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which the Business holds any Leased Real Property, including the right to all security deposits and other amounts and instruments deposited by or on behalf of the Business thereunder.

"Liens" means any Security Interest, mortgage, pledge, lien (including liens under any mortgage or deed of trust, mechanic's or materialmen's liens and judgment liens), option, debt, charge, encumbrance, covenant or restriction of any kind or character.

"Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Material Adverse Effect" means any event, change, circumstance, effect or other matter that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, circumstances, effects or other matters, with or without notice, lapse of time or both, a material adverse effect on the Business, Acquired Assets, Liabilities, Real Property, condition (financial or otherwise), operating results, or operations of the Business except that a Material Adverse Effect shall not be deemed to have incurred if it was caused by an event or events which impact other industry participants who engage in activities sustainably similar to the Business in a

proportionate manner.

"Material Leased Real Property" has the meaning set forth in §7(a) below.

"Most Recent Fiscal Year End" has the meaning set forth in §3(g) below.

"Net Profit" means any pre-tax revenue received by the Buyer after the Closing Date derived from the sale of products relating to the Business less any and all reasonable and in the ordinary course of business expenses incurred by and payments made by the Buyer in connection with the production, marketing and sales of such products, including an allocation of the Buyer's overall accounting overhead which shall be determined in good faith by the Buyer and in no event shall exceed $5,000 on a monthly basis.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Owned Real Property" means all land, together with all buildings, structures, improvements and fixtures located thereon, including all electrical, mechanical, plumbing and other building systems, fire protection, security and surveillance systems, telecommunications, computer wiring and cable installations, utility installations, water distribution systems, and landscaping, together with all easements and other rights and interests appurtenant thereto (including air, oil, gas, mineral and water rights, owned by the Business).

"Party" has the meaning set forth in the preface above.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Purchase Price" has the meaning set forth in §2(c) below.

"Real Property" has the meaning set forth in §3(l) below.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, *other than* (a) mechanics, materialmens, and similar liens, (b) liens for Taxes not yet due and payable, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

"Seller" has the meaning set forth in the preface above.

"Subsidiary" means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

"Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Claim" has the meaning set forth in §8(d) below.

2. Basic Transaction.

(a) Purchase and Sale of Assets On and subject to the terms and conditions of this Agreement, the Buyer agrees to purchase from the Seller, and the Seller agrees to sell, transfer, convey, and deliver to the Buyer, all of the Acquired Assets at the Closing for the consideration specified below in this §2.

(b) Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Buyer agrees to assume and become responsible for all of the Assumed Liabilities at the Closing. The Buyer will not assume or have any responsibility, however, with respect to any other obligation or Liability of the Seller not included within the definition of Assumed Liabilities.

(c) Purchase Price The consideration for the Acquired Assets shall be $600,000.00 (the "Base Purchase Price") plus (i) any Earn-Out Payments (as defined below); (ii) the Post-Closing Adjustment if such number is positive, if any; less (iii) the Post-Closing Adjustment if such number is negative, if any; plus (iv) the amount of the Assumed Liabilities (collectively, the "Purchase Price"). The Base Purchase Price and the Earn-Out Payments shall be paid as follows:

(*i*) On the Closing Date, the Buyer shall pay to the Seller $400,000 of the Base Purchase Price and the Assumed Liabilities, in immediately available funds;

(*ii*) Within five trading days after the Closing Date, the Buyer shall cause its transfer agent to issue to the Seller a number of shares of the Buyers Common Stock, par value $0.001, equal to $200,000 divided by the 10-Day VWAP (all such shares of Common stock shall be "restricted securities" as defined by the Securities Act); and

(*iii*) Subsequent to Closing Date, the Seller shall be entitled to cash payments ("Earn-Out Payments") from the Buyer equal twenty percent (20%) of the Net Profit for the fiscal quarterly period beginning June 30, 2024 and ending on June 30, 2028.

Any Earn-Out Payments earned by the Seller, if any, will be paid by the Buyer within sixty (60) days of the end of the fiscal period during which such Earn-Out Payment is earned. In the event of a Buyer Change of Control, the Buyer shall require that the Earn-Out Payments be assumed as a binding obligation of any acquirer or successor entity.

During the period which any Earn-Out Payment is due or payable, the Buyer agrees to maintain sufficient books, records, and accounts as reasonably necessary to confirm the Buyer's compliance with the Earn-Out Payments (the "Compliance Reports"). The Buyer agrees to provide the Compliance Reports within sixty (60) days of the end of the fiscal period during which such Earn-Out Payment is earned. Upon fifteen (15) days' written notice to the Buyer, the Seller shall have the right to audit, during normal business hours and in a manner as to not unreasonable interfere with the Buyer's normal business activities, and at the Seller's sole cost and expense, the Compliance Reports, including on-site examination of the Compliance Reports. Any such audit shall only be conducted by a certified public accountant experienced audits. If any such audit discloses an understatement of an amount equal to or greater than five percent (5%) of an amount the Seller would have been due for any Earn-Out Payment, the Buyer agrees to promptly reimburse the Seller its reasonable out-of-pocket costs relating to such audit. During the Earn-Out Payment period, the Buyer agrees to continue to operate the business in the ordinary course of business and in good faith and shall not take any actions aimed at circumventing the Earn-Out Payment to Seller, including artificially increasing expenses to lower the Net Profit.

(d) Post-Closing Adjustment.

(i) Within thirty days after the Closing Date, the Seller shall prepare and deliver to the Buyer a statement setting forth its calculation of Closing Working Capital, which statement shall contain a balance sheet of the Business as of the Closing Date (*excluding all inventory of the Business described in Section 2(g) below*) (the "Closing Balance Sheet"), a calculation of Closing Working Capital (the "Closing Working Capital Statement") and a certificate of the Seller that the Closing Balance Sheet and Closing Working Capital Statement were prepared in accordance with the same accounting methods, practices, principles, policies and procedures used by the Seller, including consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Most Recent Financial Statements for the most recent fiscal year end as if such Closing Balance Sheet and Closing Working Capital Statement were being prepared as of a fiscal year end. Upon receipt, the Buyer shall have seven days to review the Closing Balance Sheet and Closing Working Capital Statement and either approve or dispute the Seller's calculations. In the event the Buyer approves the calculations, the Buyer shall determine the Post-Closing Adjustment and deliver to the Seller. In the event the Buyer disputes the calculations, the Buyer and the Seller shall have up to seven (7) Business Days from the date Buyer notifies Seller of the dispute to cooperate to mutually determine an acceptable Closing Balance Sheet and Closing Working Capital Statement calculation. Upon such determination, the Buyer shall determine the Post-Closing Adjustment and deliver to the Seller.

(ii) If the Post-Closing Adjustment is a positive number, the Buyer shall pay to the Seller an amount equal to the Post-Closing Adjustment. If the Post-Closing Adjustment is a negative number, the Seller shall pay to Buyer an amount equal to the Post-Closing Adjustment.

(iii) Any payment of the Post-Closing Adjustment, together with interest calculated as set forth below, shall be due within ten (10) Business Days of the delivery of the Post-Closing Adjustment and shall be paid by wire transfer of immediately available funds to such account as is directed by Buyer. The amount of any Post-Closing Adjustment shall bear interest from and including the Closing Date to but excluding the date of payment at a rate per annum equal to 8%. Such interest shall be calculated daily on the basis of a 365-day year and the actual number of days elapsed. In the event the Seller does not make a required Post-Closing Adjustment payment, such amount (including any accrued but unpaid interest) shall be reduced from the Earn-Out Payments

(e) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place on May 15, 2024 or at a time mutually determined by the Parties (the "Closing Date").

(f) Deliveries at the Closing. At the Closing, (i) the Seller will deliver to the Buyer the various certificates, instruments, and documents referred to in §7(a) below; (ii) the Buyer will deliver to the Seller the various certificates, instruments, and documents referred to in §7(b) below; (iii) the Seller will execute, acknowledge (if appropriate), and deliver to the Buyer (A) an assignment and assumption agreement in substantially the form attached hereto as Exhibit A and such other assignment documents (including Intellectual Property transfer documents) in the forms reasonably acceptable to the Buyer and (B) such other instruments of sale, transfer, conveyance, and assignment as the Buyer and its counsel may request; (iv) the Buyer will execute, acknowledge (if appropriate), and deliver to the Seller (A) an assignment and assumption in the form attached hereto as Exhibit A and (B) such other instruments of assumption as the Seller and its counsel may request; and (v) the Buyer will deliver to the Seller the consideration specified in §2(c) above.

(g) Allocation. The Parties agree to allocate the Purchase Price (and all other capitalizable costs) among the Acquired Assets for all purposes (including financial accounting and tax purposes) pursuant to an allocation schedule to be determined no later than seventy-five (75) days after the Closing.

(h) Inventory. No inventory of the Seller relating to the Business shall be included as an Acquired Asset. Subsequent to the Closing Date, the Buyer agrees to purchase one hundred percent (100%) of commercially usable inventory which is owned by the Seller as of the Closing Date as set forth on Schedule 2(h) attached hereto, from the Seller and at a price determined by Seller's demonstrated cost basis for such inventory and on a schedule to be determined by the Buyer. The Buyer shall purchase the inventory on an as-needed basis and shall pay the Seller within fifteen calendar days of the end of each month for all inventory purchased during such prior month. The obligation of Buyer to purchase such inventory shall terminate upon all of the inventory set forth on Schedule 2(h) being purchased by the Buyer.

3. Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer that the statements contained in this §3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §3), except as set forth in the disclosure schedule accompanying this Agreement (the "*Disclosure Schedule"*). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §3. The disclosures in any section of this Disclosure Schedule qualify any other applicable sections of the Disclosure Schedule to the extent it is reasonably apparent from a reading of the disclosure that such disclosure is applicable to such other sections of the Disclosure Schedule.

(a) Organization and Accredited Status of the Seller. The Seller is a proprietary limited duly organized, validly existing and in good standing under the laws of Australia and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted. Seller is duly qualified or authorized to do business as a foreign limited liability company and is in good standing under the laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification or authorization, except where the failure to so qualify would not have a Material Adverse Effect. Seller has delivered to the Buyer true, complete and correct copies of each of its articles of organization and operating agreement, as amended, or comparable organizational documents as in effect on the date hereof. The Seller represents and warrants it is an "accredited investor" as defined in the Securities Act.

(b) Authorization of Transaction.The Seller has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors of the Seller has duly authorized the execution, delivery, and performance of this Agreement by the Seller. This Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms and conditions.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which any of the Seller and the Business is subject or any provision of the charter or bylaws of any of the Seller or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any of the Seller is a party or by which it is bound or to which any of

its assets is subject (or result in the imposition of any Security Interest upon any of its assets). The Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above).

(d) Brokers Fees. The Seller has no Liability or obligation to pay any fees or commissions to any other broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

(e) Title to Assets. As of the Closing Date, the Seller will have good and marketable title to, or a valid leasehold interest in, the Acquired Assets, free and clear of all Security Interests.

(f) Financial Statements. Attached hereto as Exhibit B are the following financial statements (collectively the "Financial Statements"): (i) unaudited balance sheets and statements of income and cash flow for the fiscal years ended December 31, 2022 and December 31, 2023 (the latter being the "Most Recent Fiscal Year End") for the Business and (ii) the unaudited balance sheets of Seller as of, and for the period ended March 31, 2024 ("Most Recent Balance Statement") for the Business. Except as and to the extent set forth on the Most Recent Balance Sheet, Seller has no liability or obligation (whether accrued, absolute, contingent or otherwise) to Seller's Knowledge, except for liabilities and obligations incurred in the ordinary course of business consistent with past practice since the date of the Most Recent Balance Sheet or liabilities permitted or required to be undertaken or incurred in accordance with this Agreement.

(g) Events Subsequent to Most Recent Fiscal Year End. Except as listed in §3(g) of the Disclosure Schedule, since the Most Recent Fiscal Year End, (i) there has been no Material Adverse Effect and to the Seller's Knowledge no events or circumstances have occurred which would reasonably be expected to have a Material Adverse Effect with respect to the Acquired Assets or the Business; (ii) the Seller has operated the Business only in the Ordinary Course of Business; (iii) there has been no sale, assignment, transfer or Encumbrance of any Acquired Assets, or, to the Seller's Knowledge, any theft, damage, removal of property, destruction, casualty loss or other diminution in value of the Assets that would reasonably be expected to have a Material Adverse Effect to the Acquired Assets; and (iv) the Seller has not agreed, committed or offered (in writing or otherwise) to take any of the actions referred to in clause (iii) above.

(h) Undisclosed Liabilities. The Business has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against any of them giving rise to any Liability against the Business), except for Liabilities set forth on §3(h) of the Disclosure Schedule.

(i) Legal Compliance. Since January 1, 2020, the Seller and its respective predecessors have complied in all material respects with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) with respect to the operation of the Business, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure to comply relating to the Business.

(j) Tax Matters. Except as disclosed on Schedule 3(j), the Seller has received no notice of, nor does the Seller have any knowledge of, any material deficiency, assessment, audit, dispute or claim or proposed deficiency, assessment audit, dispute or claim from any Governmental Authority which could affect or result in the imposition of an Encumbrance upon the Acquired Assets.

(k) Reserved.

(l) Intellectual Property. §3(l) of the Disclosure Schedule identifies each patent or registration which has been issued to any of the Seller and its Subsidiaries with respect to any of its Intellectual Property relating to the Business or the Acquired Assets, identifies each pending patent application or application for registration which any of the Seller and its Subsidiaries has made with respect to any of its Intellectual Property relating to the Business or the Acquired Assets, and identifies each material license, agreement, or other permission which any of the Seller and its Subsidiaries has granted to any third party with respect to any of its Intellectual Property relating to the Business or the Acquired Assets.

(m) Contracts. §3(m) of the Disclosure Schedule lists the following contracts and other agreements or understandings to which the Seller is a party which relate to the Business. The Seller has delivered to the Buyer a correct and complete copy of each written agreement (as amended to date) listed in §3(m) of the Disclosure Schedule and a written summary setting forth the terms and conditions of each oral agreement referred to in §3(m) of the Disclosure Schedule. With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect; (B) the agreement will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (C) to Seller's Knowledge, no party is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; and (D) to Seller's knowledge no party has repudiated any provision of the agreement.

(n) Litigation. There is no judgment or order outstanding, or any action, suit, complaint, proceeding or to Seller's Knowledge investigation by or before any Governmental Authority or any arbitrator pending, or to the Seller's knowledge, threatened, involving or affecting all or any part of the Business or the Acquired Assets or which, if adversely determined, would delay, restrain or enjoin the consummation of the transactions contemplated by this Agreement or declare unlawful the transactions or events contemplated by this Agreement or cause any of such transactions to be rescinded. To the Seller's knowledge, no event has occurred, and no claim or dispute exists, that could reasonably be expected to give rise to or serve as a basis for the commencement of any such proceeding. There is no order of any Governmental Authority to which any of the Acquired Assets is subject.

(o) Reserved.

(p) Environmental, Health, and Safety Matters.

(i) To the Seller's Knowledge, the Seller and its Subsidiaries are in compliance with Environmental, Health, and Safety Requirements relating to the Business and the Acquired Assets, except for such noncompliance as would not have a material adverse effect on the financial condition of the Seller and its Subsidiaries taken as a whole relating to the Business and the Acquired Assets.

(ii) Except as disclosed on Schedule 3(p) and to the Seller's Knowledge, the Seller and its Subsidiaries have not received any written notice, report or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to the Seller or its Subsidiaries or their facilities arising under Environmental, Health, and Safety Requirements relating to the Business and the Acquired Assets, the subject of which would have a material adverse effect on the financial condition of the Business or the Acquired Assets.

(iii) This §3(p) contains the sole and exclusive representations and warranties of the Seller with respect to any environmental, health, or safety matters, including without limitation any arising under any Environmental, Health, and Safety Requirements.

(q) Product Warranty. Except as disclosed on Schedule 3(q), all products provided or delivered by the Seller relating to the Business have been in material conformity

with all applicable contractual commitments and all express and implied warranties, and the Seller has no material Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against any of them giving rise to any material Liability) for damages in connection therewith relating to the Business. To the Seller's Knowledge, no product sold, provided, or delivered by the Seller and its Subsidiaries and related to the Business is subject to any indemnity by a client or customer against the Seller or a Subsidiary. The Seller has made available to the Buyer the form of any material agreements it has with customers for which the Seller or a Subsidiary has provided products relating to the Business for the past three years.

(r) Product Liability. To the Seller's Knowledge, neither the Seller nor its Subsidiaries have any Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against any of them giving rise to any Liability) arising out of any injury or damage to property as a result of the ownership, possession, or use of any products sold, provided, or delivered by the Seller or its Subsidiaries.

(s) Employees. Except as disclosed on Schedule 3(s) and to the Seller's Knowledge, no executive, key employee, or group of employees who is materially involved in the direct operation of the Business has any plans to terminate employment with Seller. With respect to these employees, the Seller is not a party to or bound by any collective bargaining agreement, nor has it experienced any strikes, claims of unfair labor practices, or other collective bargaining disputes. Since January 1, 2020, to the Seller's Knowledge, the Seller has not committed any material unfair labor practice. To the Seller's Knowledge, there is no organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of the Business.

(t) Acquired Assets. The Acquired Assets include any and all assets reasonable and necessary to operate the Business as currently conducting, including, without limitation, all products, licenses, contracts and Intellectual Property.

(u) Disclosure. The representations and warranties contained in this §3 do not contain any untrue statement of a material fact or knowingly omit to state any material fact necessary in order to make the statements and information contained in this §3 not misleading.

(e) No Other Representations and Warranties. Except for the representations and warranties contained in this §3 (including the related portions of the Schedules), neither Seller nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty as to the accuracy or completeness of any information regarding the Business and the Acquired Assets furnished or made available to Buyer and its representatives (including any disclosures made by any Person to Buyer and any information, documents or material delivered to Buyer or made available to Buyer in in any data room, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of the Business or the Acquired Assets, or any representation or warranty arising from statute or otherwise in law.

4. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller that the statements contained in this §4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §4), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §4. The disclosures in any section of this Disclosure Schedule qualify any other applicable sections of the Disclosure Schedule to the extent it is reasonably apparent from a reading of the disclosure that such disclosure is applicable to such other sections of the Disclosure Schedule.

(a) Organization of the Buyer. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

(b) Authorization of Transaction. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer is subject or any provision of its charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject. The Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above).

(d) Brokers Fees. The Buyer has no Liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

5. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing.

(a) General. Each of the Parties will use its reasonable best efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the Closing conditions set forth in §7 below).

(b) Notices and Consents. The Seller will give any notices to third parties, and the Seller will use its reasonable best efforts to obtain any third party consents, approvals and cooperation to ensure that material agreements and relationships relating to the Acquired Assets and Business, as set forth on the Disclosure Schedule, are assigned and transferred to the Buyer. The Buyer agrees and acknowledges that the Seller's agreements with its customers relating to the Business are terminable at will by the customer upon limited written notice.

(c) Operation of Business. The Seller will not cause or permit the Business to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business.

(d) Preservation of Business. The Seller will use its reasonable best efforts to cause to keep its business and properties substantially intact, including its present operations, physical facilities, working conditions, and relationships with lessors, licensors, suppliers, customers, and employees.

(e) Full Access. The Seller will permit representatives of the Buyer to have full access at all reasonable times and upon reasonable advance notice and during normal business hours, and in a manner so as not to interfere with the normal business operations of the Business, to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to the Business.

(f) Notice of Developments. Each Party will give prompt written notice to the other Party of any material adverse development causing a breach of any of its own representations and warranties in §3 and §4 above. No disclosure by any Party pursuant to this §5(f), however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

(g) Reserved.

(h) Reserved.

6. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing.

(a) General. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as the other Party reasonably may request, all the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under §8 below). The Seller acknowledges and agrees that from and after the Closing the Buyer will be entitled to copies of all documents, books, records (including Tax records), agreements, and financial data of any sort relating to, and of continuing relevance to, the Business.

(b) Required Filings. Subsequent to the Closing Date, in the event the Buyer is required by any Governmental Authority to make any regulatory filings and/or disclosures, the Seller will use its best efforts to cooperate and make available to the Buyer and any independent accounting firm, as applicable, such books and records of the Seller as are requested in order for the Buyer to comply with its regulatory obligations on a timely basis.

(c) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Business, the other Party will cooperate with the contesting or defending Party and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under §8 below).

(d) Transition. The Seller will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Business from maintaining the same business relationships with the Buyer after the Closing as it maintained with the Business prior to the Closing. The Seller will refer all customer inquiries relating to the Business to the Buyer from and after the Closing. The Seller shall provide post-closing services, such as support and training to Buyer, its Affiliates and their respective personal for up to three (3) months as is reasonably needed during such time-period (the "Transition Period"). Seller shall respond in kind within 24 hours of any reasonable requests from Buyer. After this three (3) month period, Seller shall be available via WhatsApp, phone calls or email for additional questions. Without limiting the generality of the services and support to be provided by such parties to Buyer, during the Transition Period, the services and support given to Buyer may include, but are not limited to: (1) communicating with vendors and customers regarding the transition of the Business; (2) fielding questions regarding the Business; (3) forwarding correspondence, telephone calls and payments to Buyer received by Seller in connection with the Business; (4) assisting Buyer with vendors; (5) assisting Buyer with any issues related to the Business; and (6) such other services as may be requested by Buyer or its Affiliates from time to time. The parties acknowledge and agree that no additional compensation will be paid to such parties for any of the services and support provided to Buyer or its Affiliates, and that all such services and support are included in the Purchase Price paid by Buyer.

(e) Confidentiality. The Seller will treat and hold as such all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement or for historical accounting, regulatory and/or tax support. In the event that the Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, the Seller will notify the Buyer promptly of the request or requirement, unless prohibited by applicable law, so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this §6(e). If, in the absence of a protective order or the receipt of a waiver hereunder, the Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Seller may disclose the Confidential Information to the tribunal; *provided, however*, that the Seller shall use its best efforts to obtain, at the request of the Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Buyer shall designate.

(f) Covenant Not to Compete. For a period of five (5) years from and after the Closing Date, the Seller will not engage directly or indirectly in business relating to the Business; *provided, however*, that owning less than 2% of the outstanding stock of any publicly traded corporation shall not be a violation of this §6(f) solely by reason thereof. If the final judgment of a court of competent jurisdiction declares that any term or provision of this §6(f) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

7. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §3 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Seller shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) the Seller shall have procured all of the third party consents specified in §5(b) above;

(iv) no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right of the Buyer to own the Acquired Assets, to operate the former businesses of the Business;

(v) the Buyer and Miranda Semmens, as the Director of the Seller, shall have entered into a non-compete and non-solicitation agreement in a form to be mutually agreed to between the Buyer and Miranda Semmens; and

(vi) all actions to be taken by the Seller in connection with consummation of the transactions contemplated hereby and all certificates, instruments, and other documents required to effect the transactions contemplated hereby will be satisfactory in form and substance to the Buyer, including but not limited to the Seller providing the Buyer satisfactory written documentation regarding the full and complete release of any claims or liens regarding the Acquired Assets.

The Buyer may waive any condition specified in this §7(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of the Seller. The obligation of the Seller to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(iv) the Buyer shall have delivered to the Seller a certificate to the effect that each of the conditions specified above in §7(b)(i)-(iii) is satisfied in all respects; and

(v) all actions to be taken by the Buyer in connection with consummation of the transactions contemplated hereby and all certificates, instruments, and other documents required to effect the transactions contemplated hereby will be satisfactory in form and substance to the Seller.

The Seller may waive any condition specified in this §7(b) if it executes a writing so stating at or prior to the Closing.

8. Remedies for Breaches of This Agreement.

(a) Survival of Representations and Warranties. All of the representations and warranties of the Buyer and the Seller contained in this Agreement shall survive the Closing (even if the damaged Party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) for a period of 18 months (subject to any applicable statutes of limitations); provided; however, the representations and warranties of the Seller contained in Sections 3(a), (b), (c), (e) and (k) (collectively, the "Fundamental Representations") shall survive the Closing (even if the damaged Party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) for a period of 60 months. These limitations shall not apply in the event of any fraud or willful misconduct of either the Buyer or the Seller.

(b) Indemnification Provisions for Benefit of the Buyer.

(i) In the event the Seller breaches (or in the event any third party alleges facts that, if true, would mean the Seller has breached) any of its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to §8(a) above, provided that the Buyer makes a written claim for indemnification against the Seller pursuant to §10(g) below within such survival period, then the Seller agrees to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Buyer may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

(ii) The Seller agrees to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by any Liability of the Seller which is not an Assumed Liability

(c) Indemnification Provisions for Benefit of the Seller.

(i) In the event the Buyer breaches (or in the event any third party alleges facts that, if true, would mean the Buyer has breached) any of its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to §8(a) above, provided that the Seller makes a written claim for indemnification against the Buyer pursuant to §10(g) below within such survival period, then the Buyer agrees to indemnify the Seller from and against the entirety of any Adverse Consequences the Seller may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Seller may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach (or the alleged breach).

(ii) The Buyer agrees to indemnify the Seller from and against the entirety of any Adverse Consequences the Seller may suffer resulting from, arising out of, relating to, in the nature of, or caused by any Assumed Liability.

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against the other Party (the "Indemnifying Party") under this §8, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; *provided, however*, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(ii) The Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (A) the Indemnifying Party notifies the Indemnified Party in writing within 15 days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (B) the Indemnifying Party provides the Indemnified Party with evidence acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder, (C) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief, (D) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice adverse to the continuing business interests of the Indemnified Party, and (E) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(iii) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with §8(d)(ii) above, (A) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party, and (C) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party.

(iv) In the event any of the conditions in §8(d)(ii) above is or becomes unsatisfied, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, the Indemnifying Party in connection therewith), (B) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including attorney's fees and expenses), and (C) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this §8.

(e) Determination of Adverse Consequences. The Parties shall take into account the time cost of money (using the Applicable Rate as the discount rate) in determining Adverse Consequences for purposes of this §8. All indemnification payments under this §8 shall be deemed adjustments to the Purchase Price.

(f) Certain Limitations. The indemnification provided for in Section 8 shall be subject to the following limitations:

(i) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification under Section 8 until the aggregate amount of all losses in respect of indemnification under Section 8 exceeds $25,000 (the "Deductible"), in which event the Indemnifying Party shall only be required to pay or be liable for losses in excess of the Deductible.

(ii) Except with the respect of fraud or intentional misrepresentation, the aggregate amount of all losses for which an Indemnifying Party shall be liable pursuant to Section 8 shall not exceed 60% of the Purchase Price; provided, however, the overall aggregate amount of losses for which an Indemnifying Party shall be liable for breach of any representations and warranties set forth in the Fundamental Representations to the Purchase Price.

(iii) Payments by an Indemnifying Party pursuant to Section 8 in respect of any loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any losses prior to seeking indemnification under this Agreement.

(iv) Payments by an Indemnifying Party pursuant to Section 8 in respect of any loss shall be reduced by an amount equal to any tax benefit realized or reasonably expected to be realized as a result of such loss by the Indemnified Party.

(v) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(vi) Each Indemnified Party shall take, and cause its affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such loss.

(g) Other Indemnification Provisions. The foregoing indemnification provisions are in addition to, and not in derogation of, any equitable remedy (but not any statutory or common law remedy) any Party may have for breach of representation, warranty, or covenant (including without limitation any such remedy arising under Environmental, Health, and Safety Requirements) any Party may have with respect to the Business or the transactions contemplated by this Agreement. The limitations of this provision shall not apply to any claim for fraud or willful misconduct. Any losses for which any Indemnified Party is entitled to indemnification under this Agreement shall be determined without duplication of recovery by reason of the state of facts giving rise to such losses constituting a breach of more than one representation, warranty, covenant or agreement.

9. Miscellaneous.

(a) Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of the other Party; *provided, however*, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its best efforts to advise the other Party prior to making the disclosure).

(b) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; *provided however,* that the Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

(i) if to Buyer:

NexGel, Inc.
2150 Cabot Blvd, West
Suite B
Langhorne, Pennsylvania
Attention: Adam R. Levy

with a copy (which shall not constitute notice) to:

Quick Law Group PC
1035 Pearl Street
Suite 403
Boulder, Colorado 80302
Attention: Jeffrey M. Quick

(ii) if to the Seller, to:

Semmens Onliney Pty Ltd as Trustee for Semmens Business Trust
445 Bickley Rd.,
Kenwick, WA 6107
Attention: Miranda Semmens
Email: mirandalenis@gmail.com

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, or ordinary mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(h) Governing Law. *This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.*

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and the Seller. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Expenses. Except for as specifically set forth in §6(b), each of the Buyer and the Seller will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. Without limiting the generality of the foregoing, all transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid one half by Seller and one half by Buyer when due, and the Seller will, at an expense shared one half by Seller and one half by Buyer, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by applicable law, the Parties will, and will cause their affiliates to, join in the execution of any such Tax Returns and other documentation.

(l) Attorney's Fees. In the event of any dispute with regard to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party and the non-prevailing party shall pay upon demand all reasonable fees and expenses of counsel for the prevailing party.

(m) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Nothing in the Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Disclosure Schedule identifies the exception with particularity and describes the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant.

(n) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) Specific Performance. Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter (subject to the provisions set forth in §10(o) below), in addition to any other remedy to which it may be entitled, at law or in equity.

(p) Submission to Jurisdiction. Each of the Parties submits to the jurisdiction of any state or federal court sitting in Wilmington, Delaware in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each Party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process (i) to the Party to be served at the address and in the manner provided for the giving of notices in §9(h) above. Nothing in this §9(p), however, shall affect the right of any Party to bring any action or proceeding arising out of or relating to this Agreement in any other court or to serve legal process in any other manner permitted by law or at equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity.

(q) Bulk Law Sales. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Acquired Assets to Buyer.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

Buyer:

NEXGEL, INC.

By: /s/ Adam R. Levy
Name: Adam R. Levy
Title: Chief Executive Officer

Seller:

SEMMENS ONLINE PTY LTD AS TRUSTEE FOR SEMMENS BUSINESS TRUST

By: /s/ Miranda Semmens
Name: Miranda Semmens
Title: Director

Exhibit 99.1

NEXGEL Acquires International Beauty Brand, Silly George

Acquisition further expands NEXGEL Health, Wellness, and Beauty consumer product portfolio

Silly George is on a revenue run rate of approximately $2 million

LANGHORNE, Pa. – May 16, 2024 – NEXGEL, Inc. ("NEXGEL" or the "Company") (NASDAQ: "NXGL"), a leading provider of ultra-gentle, high-water-content hydrogel products for healthcare and consumer applications, today announced the acquisition of Silly George, an international beauty company with specialty in eye and eyelash consumer products and a revenue run rate of approximately $2 million.

Silly George offers its loyal consumer base a full product line of eye and eyelash products including hassle-free alternatives to harmful glue-on eyelashes such lash extensions, lash serum and accessories. Silly George is predominately sold DTC and on Amazon not only in the United States, but internationally in the United Kingdom, Australia and the Netherlands as well. The Company recently launched a new line of Pop-On Lashes leveraging its new lash technology to create non-toxic, long-wear eyelash extensions that are easy to apply and remove and can last for five to ten days.

"We are continuously evaluating opportunities to acquire leading health and beauty consumer product brands that are accretive and synergistic. Silly George will add approximately $2 million in annualized revenue and represents another step forward in achieving the critical mass and cash flow necessary to reach our goal of profitability," said Adam Levy, CEO of NEXGEL. "Leveraging our consumer brand platform, there are immediate operational synergies that exist through the combination of our companies including optimization of marketing and overlap in expenses that will drive operating margin expansion. Additionally, Silly George has built a large social media following and consumer database, which includes 88,000 Facebook and 83,000 Instagram followers as well as over 254,000 customer emails, all of which will offer us cross selling opportunities. We welcome Miranda Semmens and her team to NEXGEL."

Miranda Semmens, CEO of Silly George, stated, "We are proud of the brand that we have built to support the beauty and health of our consumers eyes and lashes. NEXGEL's focus on skin integrity and overall skincare strongly complements our commitment to high-quality beauty products. Given its strong record of bringing innovative health and beauty products to the forefront of the consumer healthcare industry, we believe NEXGEL is the right partner to bring our business forward in the next stage of our growth."

NEXGEL has acquired all of the assets of Silly George for $400,000 in cash, $200,000 in NEXGEL common stock, and a 4-year net profit earn out. Under the terms of the agreement, management of Silly George will remain in place and inventory will be provided by the seller at cost and paid for after the sale of each unit.

About NEXGEL, INC.

NEXGEL is a leading provider of healthcare, beauty, and over-the-counter (OTC) products including ultra-gentle, high-water-content hydrogels. Based in Langhorne, Pa., the Company has developed and manufactured electron-beam, cross-linked hydrogels for over two decades. NEXGEL brands include Silverseal, Hexagels, Turfguard, Kenkoderm, and Dermablock. Additionally, NEXGEL has strategic contract manufacturing relationships with leading consumer healthcare companies.

Forward-Looking Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words "believe," "anticipate," "estimate," "expect," "intend," "plan," "project," "prospects," "outlook," and similar words or expressions, or future or conditional verbs, such as "will," "should," "would," "may," and "could," are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance, or achievements to be materially different from any anticipated results, performance, or achievements for many reasons. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company's forward-looking statements, please see the Company's Annual Report on Form 10-K for the year ended December 31, 2022, including but not limited to the discussion under "Risk Factors" therein, which the Company filed with the SEC and which may be viewed at http://www.sec.gov/.

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