Nano One Provides Quarterly Progress Update and Reports Q1 2023 Results

written by Raj Shah | May 11, 2023

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Nano One® Materials Corp. ("Nano One" or the "Company") is a clean technology company with patented processes for the low-cost, low-environmental footprint production of high-performance cathode materials used in lithium-ion batteries. Nano One has filed its condensed interim consolidated financial statements (the "financial statements"), and management's discussion & analysis ("MD&A") as at and for the three months ended March 31, 2023 ("Q1 2023") and is pleased to provide the following highlights from Q1 2023.

Q1 2023 Highlights and Headlines

- Working capital of ~$35.7 million; cash of ~$40.1 million
- Completion of Cathode Evaluation Project & Expansion of Collaboration with Automotive OEM
- New program funding from SDTC
- Three new patents issued and allowed in Taiwan, Korea, and US.
- Proceeds of ~$3.7M from the exercise of warrants
- Advancement of Commercial Plans for LFP and Other Cathode Materials

Corporate Milestones for Q1 2023

New Program Funding from SDTC

On February 13, 2023, the Company announced an award of up to $10,000,000 in non-dilutive, non-repayable contributions from Sustainable Development Technology Canada (“SDTC”). These funds will support the conversion of Nano One’s recent high-value acquisition of the JMBM Canada LFP facility in Candiac, Québec, Canada (November 2022), to the patented One-Pot Process for industrial-scale pilot production of LFP and includes financial support for the design, construction, and operation of a multi-cathode piloting hub (MCPH) to help customize and advance Nano One’s One-Pot and metal-direct-to-CAM (M2CAM) processes for the industrial scale pilot production of next-gen LFP, NMC and LNM cathode active materials (CAM).

Completion of Cathode Evaluation Project & Expansion of Collaboration with Automotive OEM

On February 21, 2023, the Company announced the successful completion of the evaluation and benchmarking of its process, cathode materials and techno-economic modelling, under a Cathode Evaluation Agreement with a global automotive manufacturer. Success has led the parties to a new Cathode Evaluation Agreement that adds LFP to the program and expands their collaboration to target performance, cost, and environmental specifications of cathode materials to meet the needs of the OEM.

Advancement of Commercial Plans for LFP and Other Cathode Materials

On April 24, 2023, the Company provided an update regarding its commercial plans which are aimed at jumpstarting the commercialization of its One-Pot process starting at 200 tonnes per annum (“tpa”) in 2023, expanding in steps to 2,000 tpa, 10,000 tpa, and hundreds of thousands of tonnes per annum. To

expedite commercial sampling, offtake and first revenues, the Company’s Candiac facility in Québec is being retrofitted with its new One-Pot reactors and technology and will be commissioned initially at 200 tpa in Q3 2023, ramping up to as much as 2,000 tpa.

Nano One’s technology, manufacturing hub, and plans represent a game-changing opportunity to secure sustainable and clean battery supply chains in North America. Nano One will launch LFP in North America, followed by Europe and the Indo-Pacific region, giving it access to exponential revenue growth, to power hundreds of gigawatt hours of battery storage and millions of electric vehicles.

Q1 2023 Financial Position and Results

- Total assets of ~$56.9M (Q4 2022 – ~$56.1M)
- Total liabilities of ~$7.5M (Q4 2022 – ~$2.6M) with no debt
- Positive net cash flows of ~$625K during the quarter
- Proceeds from Government programs, interest income, and exercises of stock options and warrants of ~$7.6M, which more than offset the use of cash during the quarter
- Capitalized investments in equipment, facilities, and construction activity of ~$1.1M in addition to net investments in research and operational expenses of ~$1.9M.

Given recent banking uncertainty we want to reassure our shareholders that our treasury is diversified amongst several Canadian chartered banks and large financial institutions, and our conservative and diversified approach to treasury management reflects the paramount priority of safety and security.

For a more detailed discussion of Nano One’s interim Q1 2023

results, please refer to the Company's financial statements, and MD&A which are available at www.sedar.com.

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About Nano One®

Nano One Materials Corp. (Nano One) is a clean technology company with a patented, scalable and low carbon intensity industrial process for the low-cost production of high-performance lithium-ion battery cathode materials. With strategic collaborations and partnerships, including automotive OEMs and strategic industry supply chain companies like BASF, Umicore and Rio Tinto. Nano One's technology is applicable to electric vehicles, energy storage, and consumer electronics, reducing costs and carbon intensity while improving environmental impact. The Company aims to pilot and demonstrate its technology as turn-key production solutions for license, joint venture, and independent production opportunities, leveraging Canadian talent and critical minerals for emerging markets in North America, Europe, and the Indo-Pacific region. Nano One has received funding from SDTC and the Governments of Canada and British Columbia.

For more information, please visit **www.nanoone.ca**

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Cautionary Notes and Forward-looking Statements

Certain information contained herein may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. All statements,

other than statements of historical fact, are forward-looking statements. Forward-looking information in this news release includes but is not limited to: the Company's future business and strategies; estimated future working capital, funds available, and uses of funds, and future capital expenditures and other expenses for specific operations, intellectual property protection; industry demand; ability to obtain employees, consultants or advisors with specialized skills and knowledge; anticipated joint development programs; incurrence of costs; competitive conditions; general economic conditions; the intention to grow the business, operations and potential activities of the Company; the functions and intended benefits of Nano One's technology and products; the development of the Company's technology and products; the commencement of a commercialization phase; prospective partnerships and the anticipated benefits of the Company's partnerships; the Company's licensing, supply chain, joint venture opportunities and potential royalty arrangements;; the purpose for expanding its facilities; and scalability of developed technology; and the execution of the Company's plans – which are contingent on support and grants. Generally, forward-looking information can be identified by the use of terminology such as 'believe', 'expect', 'anticipate', 'plan', 'intend', 'continue', 'estimate', 'may', 'will', 'should', 'ongoing', 'target', 'goal', 'potential' or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the current opinions and estimates of management as of the date such statements are made are not, and cannot be, a guarantee of future results or events. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking

information, including but not limited to: general and global economic and regulatory changes; next steps and timely execution of the Company's business plans; the development of technology, supply chains, and plans for construction and operation of cathode production facilities; successful current or future collaborations that may happen with OEM's, miners or others; the execution of the Company's plans which are contingent on support and grants; the Company's ability to achieve its stated goals; the commercialization of the Company's technology and patents via license, joint venture and independent production; anticipated global demand and projected growth for LFP batteries; and other risk factors as identified in Nano One's MD&A and its Annual Information Form dated March 29, 2023, both for the year ended December 31, 2022, and in recent securities filings for the Company which are available at www.sedar.com. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake any obligation to update any forward-looking statements or forward-looking information that is incorporated by reference herein, except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

SOURCE: Nano One Materials Corp.