

Nano One Reports Q2 2024 Results and Provides Update

written by Raj Shah | August 14, 2024

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 six months ended June 30, 2024 (“Q2 2024”) and is pleased to provide a summary and an update on subsequent events.

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Q2 2024 Results and Subsequent Events – Highlights and Headlines

- Strategic Alliance Agreement and License Agreement with Worley, a global engineering leader in sustainability solutions.
- NGen awards Nano One and Worley Chemetics \$2.8 million in non-dilutive non-repayable funding through the Electric Vehicle Manufacturing Program (EVMP).
- Nano One announces a definitive agreement to sell vacant land in Candiac for \$5 million in non-dilutive gross proceeds, subsequent to Q2 2024 period end.
- All matters presented for shareholder approval at the August 1, 2024, Annual General and Special Meeting were approved.
- Total net assets of \$30.8 million and working capital of \$13.2 million at Q2 2024 period end.

Nano One® Materials Corp. (“Nano One” or the “Company”) is a clean technology company with patented processes for the production of lithium-ion battery cathode active materials (“CAM”) that enable secure and resilient supply chains by

driving down cost, complexity, energy intensity, and environmental footprint. 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 six months ended June 30, 2024 (“Q2 2024”) and is pleased to provide a summary and an update on subsequent events.

Strategic Alliance and Licensing Agreement with Worley Chemetics®

In May 2024, the Company announced executing a [Strategic Alliance Agreement and a License Agreement with Worley Chemetics®](#) (“Worley”) for the purposes of jointly developing, marketing and licensing a process engineering design package for the deployment of cathode active material (CAM) production facilities with potential customers in the lithium-ion battery materials sector.

Under the Strategic Alliance Agreement, Nano One and Worley will jointly develop a holistic technology CAM package that incorporates Nano One’s proprietary One-Pot process into a modular process engineering design package with intellectual property rights, flow sheets, detailed engineering, the operational know-how of both parties and applicable proprietary equipment. Worley will also design and fabricate One-Pot reactors made with customized metal alloys. The License Agreement oversees the sale of CAM packages, including necessary cross-licensing of intellectual property, license fees and remuneration to both parties over a term of up to 20 years. The collaboration with Worley is expected to generate revenues through upfront fees, equipment sales and technology licensing fees from production.

For a detailed discussion on the strategic partnership, technology, plans, and potential for the future of sustainable

battery materials production, watch the full fireside chat featuring Dan Blondal, CEO and Founder of Nano One, and Laura Leonard, Group President, Technology Solutions at Worley.

Link to Video: <https://nanoone.ca/news/video-update-worley>

NGen awards Nano One and Worley \$2.8 Million

Nano One and Worley Chemetics® announced on August 13, 2024, that they have been awarded approximately \$2 million and \$0.8 million, respectively (\$2.8 million in total) in non-dilutive and non-repayable funding by Next Generation Manufacturing Canada (NGen) through its Electric Vehicle Manufacturing Program (EVMP). The funding stream is through to March 31, 2028, and aids in the development of the Canadian Electric Vehicle supply chain and manufacturing ecosystem. NGen is an industry-led, non-profit organization that supports development of world-leading advanced manufacturing capabilities in Canada. The funding will advance a new project to help both companies develop, market and sell CAM facility packages that incorporate Nano One's proprietary One-Pot process into a process engineering design package.

Drawing on its specialized capabilities, experience and knowledgeable team, Worley will support Nano One in identifying the best materials of construction, and fabrication methods for key equipment required for the One-Pot process, and in engineering and delivering the technology and its associated equipment. The project's goal is to integrate both companies' advanced process and equipment knowledge into the CAM manufacturing ecosystem, enabling the joint marketing and sale of equipment in Canada and around the world. Design specifications will be determined through rigorous reactor studies, analysis and selection of appropriate materials of construction, ensuring compatibility with feedstocks and

reagents, as well as operating conditions.

For more details on the NGen award, please refer to the Company's

website: <https://nanoone.ca/news/ngen-awards-nano-one-and-worley-2-8-million/>

Nano One Signs Definitive Agreement to Sell Vacant Land in Cadiac for Gross Proceeds of \$5 million

The Company is pleased to announce that it reached a definitive agreement on August 12, 2024, to sell the vacant lot on its land in Cadiac, Québec for \$5 million in gross proceeds ("Offer to Purchase"). This will add non-dilutive funds to the Company's treasury without compromising its growth strategy, while leveraging access to alternative sites with better utility infrastructure, improved constructability and room to expand well beyond 25,000 tpa of LFP capacity. The purchaser has provided a deposit of \$500,000 that is non-refundable except in the unlikely event that the Deed of Sale is not executed due to a fault or negligence of the Company. The parties will work in good faith to close the transaction by September 12, 2024.

The LFP cathode manufacturing facility on the remaining property in Cadiac remains the launch pad for the Nano One's growth strategy and a clear path to first revenue and larger offtakes. Nano One acquired the 10-year-old facility in Q4 2022 and repurposed it to demonstrate its One-Pot process at commercially valid scale. The waste handling systems were no longer needed and subsequently decommissioned, and the Company completed the commissioning of new 200 tpa One-Pot reactors in Q4 2023. The pilot facility is now being used to facilitate demonstration, sampling and evaluation while also informing FEL design studies and the LFP CAM package with Worley. There are plans to further expand the capacity of the existing facility up to 2,000 tpa, as

demand for LFP takes hold, leveraging existing full-scale equipment and the balance of plant with further automation.

The Company's FEL2 pre-feasibility study, as reported on October 23, 2023, modelled a 25,000 tpa LFP plant on the unused portion of its Candiatic land, and later on February 27, 2024, an FEL3 feasibility study was launched with consideration being given to lower-cost alternative sites that would better accommodate growth, utility requirements and future market needs. The Company is pleased to report that its FEL3 study is showing even lower capital costs and operating expenses than its earlier FEL2 study. This further enhances the One-Pot value proposition and supports the Worley Strategic Alliance. Spending has been deferred on lower priority aspects of the FEL3 study and will be resumed as market conditions allow.

Furthermore, Nano One is approaching its 25,000 tpa LFP commercial plant as a development project opportunity (the "**Development Project**") that leverages its existing piloting and commercialization facility in Candiatic, together with target customer engagements and project finance initiatives. It will require product validation, customer offtake, feedstock supply agreements and the completion of an FEL3 feasibility study that is site specific. The objective is for the Development Project to be owned by a separate stand-alone operating company with its own capital structure and Nano One as a joint venture or minority equity partner. Nano One is expecting to earn a license fee from the operating company for the use of its One-Pot technology in addition to a development fee for its efforts on the project which can be settled by an equity interest in the operating company, cash, or a combination thereof. Nano One believes that this approach offers its partners and stakeholders significant value through licensing, technology, know-how, customer engagements and project finance solutions while minimizing equity dilution. The FEL3 study will also support the

“Design Once, Build Many” growth strategy to develop, market, license and deploy CAM packages globally in partnership with Worley.

With regards to site selection for the Development Project, Nano One is in active dialogue with governments, their agencies and third-party strategic interests with regards to incentive programs and the evolving market needs in North America. Key considerations include automotive OEM timing, government incentives in the form of grants and forgivable loans, municipal collaboration, low-cost land, access to sufficient utilities (power, water, natural gas), footprint for expansion to align with longer-term partner objectives and location preferences from collaborating stakeholders. With the active support of provincial and municipal governments and its strategic partners, Nano One has identified and narrowed down potential site options in Québec and Ontario and is also exploring government incentive programs in North America and lower-cost jurisdictions where a focus also exists on attracting investment in the midstream.

Result of 2024 Annual General and Special Meeting of Shareholders

The 2024 Annual General and Special Meeting of Shareholders’ meeting occurred on August 1, 2024, with all matters presented for shareholder approval at the meeting approved as follows: election of directors of the Company for the ensuing year; appointment of Davidson & Company LLP as Auditors of the Company for the ensuing year and authorizing the directors to fix their remuneration; and approval of all unallocated equity entitlements under the Omnibus Equity Incentive Plan. A total of 37,781,807 common shares were represented by proxy at the meeting, representing 33.95% of the total issued and outstanding common shares of the Company. The Company announced the results of the meeting on August 2, 2024.

Q2 2024 – Financial Position

As at June 30, 2024, the Company's total net assets and working capital were \$30.8 million and \$13.2 million, respectively.

For a more detailed discussion of Nano One's Q2 2024 interim results, please refer to the Company's financial statements, and MD&A, which are available at www.sedarplus.ca.

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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 Sumitomo Metal Mining, 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 is piloting 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

Company Contact:

Paul Guedes
info@nanoone.ca
(604) 420-2041

Cautionary Notes and Forward-looking Statements

Certain information contained herein and the video link 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 success of the Worley alliance which is reliant upon the success in the development of the CAM package, the attributes, contents and benefits of the CAM package, including, the CAM package being a modular process engineering design solution and being able to be rapidly deployed, the success in the marketing and deployment of the CAM package with customers; the project objectives for the receipt of the total NGEN grant monies; timely closing on the Offer to Purchase and the successful conclusion thereof; the FEL3 study and the Company’s ability to obtain funding and complete all the necessary steps to deliver on the Development Project’s objectives; the development of technology, supply chains, and plans for construction and operation of cathode production facilities; the Company’s current and future business and strategies; estimated future working capital, funds available, and uses of funds, future capital expenditures and other expenses for commercial operations; industry demand; 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 and optimization of the Company’s technology and products; prospective partnerships and the anticipated benefits of the Company’s partnerships; the Company’s licensing and, the scalability of developed technology to meet expanded capacity; and the execution of the Company’s stated plans – which are contingent on access to capital 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: achievement of the project objectives for the receipt of the total NGEN grant monies; timely closing on the Offer to Purchase and the successful conclusion thereof; results of the FEL3 study and the Company's ability to obtain funding and complete all the necessary steps to deliver on the Development Project's objectives; 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 27, 2024, both for the year ended December 31, 2023, and in recent securities filings for the Company which are

available at www.sedarplus.ca. 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.