

# Nano One Reports Q3 2024 Results and Provides Update

written by Raj Shah | November 13, 2024

November 13, 2024 ([Source](#)) – **Q3 2024 Results and Subsequent Events – Highlights and Headlines:**

- Streamlining operations and increasing focus on LFP production and licensing
- Closing on \$5.0 million sale of vacant land
- Award of US\$12.9 million from the Department of Defense (DoD) of the USA
- Appointment of Anthony Tse as New Chair of the Board of Directors
- Total net assets of \$26.9 million and working capital of \$10.9 million at Q3 2024 period end
- SDTC project update

Nano One<sup>®</sup> Materials Corp. (“Nano One” or the “Company”) is a clean technology company with patented processes for the low-cost, low-GHG production of lithium-ion battery cathode active materials (“CAM”).

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 nine months ended September 30, 2024 (“Q3 2024”) and is pleased to provide a summary and an update on subsequent events.

## **Streamlining Operations to Focus on LFP Commercialization**

In August 2024, the Company announced the streamlining of its operations, allowing for increased focus on lithium iron phosphate (“LFP”), joint ventures, contracted projects,

accelerated path to revenue generation, and growth through licensing. The Company announced its commitment to controlling costs and focusing on near-term commercialization targets.

Nano One has the goal of licensing its One-Pot LFP CAM packages, globally, to chemicals, materials, and energy companies looking to produce CAM for the battery market in EV and ESS applications. Shareholder value will be created with increased market penetration through the Company's partnership channels, with the low cost of capital from its licensees, and by diversifying revenue exposure via the Worley Chemetics alliance to include equipment procurement, along with licensing fees and revenues from its plant in Candiac, Québec.

The Company's piloting facility in Candiac provides a distinct advantage in North America as it can produce cathode materials at a commercially relevant scale today with the capability of expanding capacity up to 2,000 tpa. The facility will serve a robust pipeline of potential LFP CAM customers that include automotive, energy and stationary storage and US government contractors, and will be the basis and center of excellence for much larger facilities via the Company's "Design One, Build Many" licensing and growth strategy.

### **Nano One closes on \$5.0 Million Sale of Vacant Land**

In September 2024, the Company announced closing on the sale of vacant land which was part of the 2022 acquisition of Johnson Matthey Battery Materials Canada Ltd., for gross proceeds of \$5.0 million. Nano One sold the land to a flexible packaging leader for the food industry in Canada.

The proceeds from the sale provides capital that supports the LFP cathode manufacturing facility on the remaining property in Candiac, Québec and the innovation hub in Burnaby, British Columbia. These existing facilities remain the launch pad for

the Nano One's growth strategy and a clear path to first revenue and larger offtakes.

### **Department of Defense awards Nano One US\$12.9 Million**

In September 2024, the Company announced the award of US\$12.9 million (~\$17.8 million) by the Department of Defense (DoD) of the United States of America (USA) through the Defense Production Act Investments (DPAI) office's Title III program. The funding supports capacity expansion at the existing Candiatic, Québec LFP production facility as well as the Burnaby, British Columbia R&D facilities while expanding the LFP industrial base and strengthening energy security in North America.

### **Appointment of Industry Veteran Anthony Tse as New Chair of the Board of Directors**

Effective October 1, 2024, the Company appointed Mr. Anthony Tse as the new Chair of the Board of Directors succeeding Paul Matysek, who is the founding Chair of Nano One and resigned as part of a planned transition to an advisory role that supports the incoming Chair and Board.

### **SDTC First Amendment to Project Funding Agreement**

Under its February 2023 agreement with Sustainable Development Technology Canada (SDTC), Nano One was to be reimbursed for up to \$10,000,000 in eligible project expenses to support the conversion of Nano One's Candiatic facility to the patented One-Pot process for industrial-scale pilot production of LFP. The SDTC project was to also include financial reimbursement for expenses incurred in the design, construction, and operation of a multi-cathode piloting hub (MCPH) at the Company's facility in Candiatic, Québec.

To re-align the SDTC program with the Company's focus on LFP and commercialization as announced on August 22, 2024, Nano One and SDTC executed an amended agreement, on November 6, 2024, that

changed the scope of the project to exclude the MCPH component of the program and include certain feasibility and engineering expenses (“FEL3”) related to the development of a larger LFP CAM facility (the “Development Project”). This amendment helped reduce overall project costs to Nano One and as such, it also reduced the projected reimbursements from SDTC for these expenses to approximately \$6,700,000.

### **Q3 2024 – Financial Position**

As at September 30, 2024, the Company’s total net assets and working capital were \$26.9 million and \$10.9 million, respectively.

For a more detailed discussion of Nano One’s Q3 2024 interim results, please refer to the Company’s financial statements, and MD&A, which are available at [www.sedarplus.ca](http://www.sedarplus.ca).

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### **About Nano One®**

Nano One® Materials Corp. (Nano One) is a clean technology company changing how the world makes cathode active materials for lithium-ion batteries. Applications include electric vehicles (EVs), stationary energy storage systems (ESS), and consumer electronics. The Company’s patented One-Pot process reduces costs, carbon intensity (lower GHGs), environmental footprint, and reliance on problematic supply chains. Scalability is proven and being demonstrated at Nano One’s LFP (lithium-iron-phosphate) pilot production plant in Québec—the only facility and expertise of its kind outside of Asia. Strategic collaborations and partnerships with international companies like Sumitomo Metal Mining, Rio Tinto, and Worley are supporting a global growth strategy via technology licensing and joint ventures. Nano One has received funding from the Government of Canada, the Government of the United States and the

Government of British Columbia. The company is leveraging deep industry expertise and plans to license and deploy cleaner cathode manufacturing plant design packages-delivering cost-competitive and faster-to-market battery materials solutions world-wide.

For more information, please visit [www.nanoone.ca](http://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: streamlining operations, LFP production, joint ventures, contracted projects, revenue generation, operational growth, licensing, offtakes, capacity expansion through use of funding from the DoD, funding from SDTC, the development of technology, supply chains, and plans for construction and operation of cathode production facilities and Development Project; 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: 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](http://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.*