Nano One Reports Q4 2023 Results and Provides Progress Update

written by Raj Shah | March 28, 2024
March 28, 2024 (Source) – ***2023 Q4 – Highlights and Headlines***

- ***Cash and cash equivalent position of $31.9 million at year end.***
- ***Working capital of $30.1 million at year end.***
- ***Life Cycle Assessment study showcases 50% fewer GHGs and 80% less water.***
- ***Successful evaluation of Nano One LFP builds on Automotive OEM collaboration and accelerates piloting and testing to tonne-scale from Candiac Pilot Plant.***

Nano One® Materials Corp. ("Nano One" or the "Company") **(TSX:NANO)(OTC PINK:NNOMF)(Frankfurt:LBMB)** 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 audited annual consolidated financial statements (the "financial statements"), and management's discussion & analysis ("MD&A") as at and for the year ended December 31, 2023 ("2023 Q4") and is pleased to provide the following highlights.

Life Cycle Assessment (LCA)

On December 6, 2023, the Company announced the results of a third-party LCA report which demonstrated the environmental and

economic benefits of Nano One’s technologies including 50% fewer green house gas (“GHG”) emissions and 80% less water use, when considering lithium iron phosphate (“LFP”) and lithium nickel manganese cobalt oxide (“NMC”) production benchmarked against the complexity and energy intensity of conventional CAM processes operating in various jurisdictions.

Automotive OEM Validates Nano One LFP and Kicks Off Tonne-Scale Evaluations

On December 19, 2023, the Company announced it had confirmed orders for approximately 1.3 tonnes of LFP samples made from its pilot plant for the purposes of commercial evaluation, collaboration and securing offtake agreements with collaborators in the automotive, energy storage systems, defence, and industrial sectors.

2023 Q4 – Financial Position

- Cash and cash equivalent position of $31.9 million at year end.
- Working capital of $30.1 million at year end.
- Total assets of $53.0M at year end.
- Total liabilities of $5.5M with no long-term debt at year end.

2023 – Earlier Headlines

2023 saw a global shift towards LFP batteries that could eventually mirror the 60-70% market share that LFP already has in China. This shift is driven by lower costs and safety, by battery pack energy densities and electric vehicle (“EV”) range now on par with NMC, and by the need to diversify supply chains away from foreign entities of concern. Nano One’s One-Pot LFP addresses these needs by driving down cost, complexity and GHG

emissions in the supply chain, by enabling refined critical mineral inputs that can be easily sourced in free-trade jurisdictions, and by eliminating waste streams that are difficult to permit in western countries.

The Company has also achieved significant milestones on its commercialization roadmap including the recommissioning of its recently acquired Candiac LFP production facility. Testing, piloting and showcasing of LFP is underway in full scale equipment that demonstrates the commercial, environmental and security advantages of producing of LFP using the One-Pot process. A significant outcome from these achievements is the September 2023 C$17M strategic investment made by Sumitomo Metal Mining (“SMM”) and the resulting collaboration to accelerate the commercial adoption of the One-Pot process for LFP and NMC through potential licensing and joint venture opportunities. SMM is a world-renowned miner, refiner and producer of cathode active materials dating back to applications in early portable electronics and the emergence of hybrid and fully electric vehicles.

- Secured $17M investment and collaboration with Sumitomo Metal Mining.
- Awarded $10M in grant funds from SDTC.
- Successfully completed NMC evaluations with global OEM and expanded collaboration to include LFP.
- Demonstrated, de-risked and fast-tracked tonne-scale sampling of One-Pot LFP.
- Completed pre-feasibility study (“FEL2”) of 12,500 tpa LFP production line.
- Laid out commercialization plans for LFP and other materials.
- Signed JDA with Our Next Energy to collaborate on the validation, qualification, and production of a North

American supply of LFP CAM.

- Japan: Formation of lithium metal oxide cathodes from elemental metal.

2024 Q1 – Corporate Milestones and Developments

Additional Lithium Battery Manufacturing Patents added in Asia

On February 21, 2024, the Company announced the addition of four new patents in Asia, thereby expandingits portfolio to 40 patents with 55+ pending. These additional patents showcased the depth and global relevance of Nano One's innovative One-Pot process. They also added to shareholder value and Nano One's technology offering while enhancing Nano One's leadership position and safeguarding commercial advantages. The issued patents were as follows:

- Taiwan: Battery enhancement using simplified electrolyte and One-Pot cathode.
- China and Korea: Simultaneous formation of coating and cathode in single step.

Feasibility Study (FEL3) Study

On February 27, 2024, the Company announced the commencement of a feasibility study ("FEL3") for a 25,000 tpa LFP commercial plant to support customer offtake, feedstock supply, and future project funding efforts. The plant design will also form the basis of Nano One's turn-key Design-Once-Build-Many strategy to address the broader LFP market. The FEL3 study will provide an optimal production line layout and maximum utility of key equipment. Furthermore, this study will address Nano One's mid-to-longer-term objective of deploying multi-line facilities

under license or joint venture with partners in Asian, Indo-Pacific, North American and European jurisdictions. Progress at Nano One's pilot plant has helped de-risk, improve, and optimize the One-Pot process for LFP in commercial scale equipment while informing engineering plans and providing confidence to Nano One's collaborators on the long-term competitive viability of Nano One's CAM production technologies.

For a more detailed discussion of Nano One's Q4 2023 and annual results, please refer to the Company's financial statements, MD&A, and AIF 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 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 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; timely completion of the FEL3 study; industry demand; potential offtake commitments; projected revenue generation; ability to obtain employees, consultants or advisors with specialized skills and knowledge; 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 and optimization 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 the Candiac facilities; the scalability of developed technology to meet expanded capacity; access to skilled labour, permits, and provincial and municipal utilities; 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. 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.