

# Nano One Provides Quarterly Progress Update and Reports Q2 2022 Results

August 5, 2022 (Source) – (TSX:NANO) (OTC PINK:NNOMF) (Frankfurt:LBMB).

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 unaudited condensed interim consolidated financial statements (the “financial statements”) and management’s discussion & analysis for the second fiscal quarter ended June 30, 2022 and is pleased to provide the following highlights from Q2 2022.

## Q2 Highlights and Headlines

- Working capital of ~\$47.5 million; cash of ~\$47.9 million
- Acquisition of Johnson Matthey Battery Materials
- Joint Development Agreement with BASF
- Strategic Investment by Rio Tinto for ~\$12.5 million

## Corporate Milestones for Q2

### *Acquisition of Johnson Matthey Battery Materials*

On May 25, 2022, Nano One announced it had entered into a binding agreement to acquire 100% of the shares of Johnson Matthey Battery Materials Ltd. (“JMBM Canada”) a Canadian entity located in Candiac, Québec, for approximately \$10,250,000 paid in cash, subject to closing working capital adjustments.

Acquisition to include the team, facilities, equipment, land

and other assets

- Team has more than 360 years of scale-up and commercial production know-how
- Team and facilities proven in supplying tier 1 cell manufacturers for automotive
- LFP facility and land strategically located near Montréal and operational since 2012
- Facility and equipment can serve Nano One's process needs with room to expand
- Expedites Nano One business strategy for LFP and other battery materials

JMBM Canada also includes a 2,400 tonne per annum capacity LFP production facility occupying approximately one tenth of the 400,000 square foot property. The transaction is expected to complete by the end of calendar 2022, subject to JMBM Canada fulfilling contractual commitments and certain other customary closing conditions.

#### *Joint Development Agreement – BASF*

On May 31, 2022, Nano One announced the signing of a joint development agreement (“JDA”) with BASF SE (“BASF”), a globally active chemical company with extensive experience in the development and manufacture of battery materials. Under the JDA, the companies will co-develop a process with reduced by-products for commercial production of next-generation cathode active materials (CAM), based on BASF's HEDTM-family of advanced CAM and using Nano One's patented One-Pot process and M2CAM technologies. BASF has a family of CAM products well-suited to the evolving requirements of batteries in automotive drivetrains and a proven track record of developing these products in collaboration with others. Nano One and BASF will also use the M2CAM process for higher flexibility in terms of manufacturing approach and resulting product performance, reduced energy consumption and environmental footprint.

## *Strategic Investment by Rio Tinto*

On June 9, 2022, Nano One announced entering a strategic partnership with Rio Tinto, a leading global mining and metals group, providing iron and lithium products, collaboration and a US\$10,000,000 (\$12,536,500) investment into Nano One. This partnership and funding will accelerate Nano One's multi-cathode (multi-CAM) commercialization strategy and support CAM manufacturing in Canada for a cleaner and more efficient battery supply chain for North American and overseas markets.

Nano One issued 4,643,148 common shares to Rio Tinto, approximately 4.9% of the issued and outstanding Shares of Nano One at the time of the share issuance, at \$2.70 per share in a non-brokered private placement. The proceeds will be directed towards technology and supply chain development, commercialization, Nano One's acquisition of the Candiac facility in Québec, its conversion to One-Pot LFP and industrial scale piloting of other Nano One CAM technologies, and for working capital purposes.

## **Q2 Financial Position and Results**

- Gross expenditures on research activities of ~\$1,600,000 (Q1 2022 – ~\$1,700,000) (Q2 2021 – ~\$800,000)
- Purchase price consideration for JMBM Canada of ~\$10,000,000
- Proceeds from Rio Tinto strategic investment (private placement) of ~\$12,500,000
- Gross capital expenditures incurred of ~\$275,000
- Net use of cash of ~\$800,000 (Q1 2022 – ~\$3,900,000)
- Total assets of ~\$60,700,000 (March 31, 2022 – ~\$51,400,000)
- Total liabilities of ~\$1,500,000 (March 31, 2022 – ~\$1,400,000)

Sources of cash during Q2 were from the Rio Tinto private placement (~\$12,500,000), cost recoveries from strategic

partners (~\$637,000), interest income (~\$123,000), proceeds from Government programs (~\$69,000), and exercises of stock options and warrants (~\$49,000).

For a more detailed discussion of Nano One's second quarter and year to date 2022 results, please refer to the Company's financial statements and management's discussion & analysis, which are available at [www.sedar.com](http://www.sedar.com)

###

### **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. The technology is applicable to electric vehicle, energy storage, consumer electronic and next generation batteries in the global push for a zero-emission future. Nano One's One-Pot process, its coated nanocrystal materials and its Metal to Cathode Active Material (M2CAM®) technologies address fundamental performance needs and supply chain constraints while reducing costs and carbon footprint. Nano One has received funding from various government programs and the current "Scaling of Advanced Battery Materials Project" is supported by Sustainable Development Technology Canada (SDTC) and the Innovative Clean Energy (ICE) Fund of the Province of British Columbia. For more information, please visit [www.nanoone.ca](http://www.nanoone.ca)

Company Contact:

Paul Guedes

[info@nanoone.ca](mailto:info@nanoone.ca)

(604) 420-2041

*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: current and future collaboration engineering, and optimization research projects; closing of the pending acquisition of the Candiac facility in Québec; the execution of the Company's plans, development of materials, methods of production and study for pre-pilot, pilot and scaled up manufacturing on the path to commercialisation which are contingent on support and grants; successful collaboration with Rio Tinto; and the commercialization of the Company's technology and patents. 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: closing of the pending acquisition of the Candiac facility in Québec; any future collaborations that may happen with with miners, OEM's or others ; the Company's ability to achieve its stated goals; the commercialization of the Company's technology and patents; the execution of the Company's plans, development of materials, methods of production and study for pre-pilot, pilot and scaled up manufacturing on the path to commercialisation; and other risk factors as identified in Nano One's MD&A and its Annual Information Form dated March 28, 2022, both for the year ended December 31, 2021, and in recent securities filings for the Company which are available

at [www.sedar.com](http://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.