# Nano One Provides Quarterly Progress Update and Reports Q2 2021 Results

written by Raj Shah | August 11, 2021

August 11, 2021 (Source) – Nano One® Materials Corp. **(TSX: NANO) (OTC Pink: NNOMF) (FSE: LBMB)** ("Nano One") 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 announces its financial results and operations overview for the second fiscal quarter ended June 30, 2021 and is pleased to review the following highlights from Q1 and Q2 2021.

## Q1 and Q2 Highlights and Headlines

- Selected to showcase its clean technology advantages in Chile.
- Announces solid state battery collaboration with the University of Michigan.
- Achieves TSX venture 50 recognition as a top performing company.
- Launches ground-breaking M2CAM technology to reduce cost, waste and carbon footprint in lithium-ion battery supply chain.
- Closes 28.9M bought deal financing. Strengthens balance sheet to provide additional growth capital flexibility and working capital of approximately $55 million, as of June 30, 2021.
- Advances LNMO program to pre-commercialization stage with Asian joint development cathode partner.
- Enters Co-Development Agreement with Niobium Producer CBMM to improve durability and performance of high energy

density cathode materials.
- Enters partnership with Johnson Matthey to develop next generation eLNO family of nickel-rich advanced cathode materials using Nano One's technologies.
- Graduates to Toronto Stock Exchange (TSX:NANO)
- Granted 3 new patents, bringing total to 19 with over 35 additional patents pending.

*"The first half of this year has been extremely busy for Nano One as we execute on our business strategy in a rapidly evolving market,"* commented Mr. Dan Blondal, CEO. *"We have solidified our treasury, entered into agreements with global partners, expanded our facilities to support those partnerships and we continue to innovate as we focus on the path to commercialization."*

## Q2 Corporate Updates

### *Progress Update on Joint Development Agreement with Asian Manufacturer*

In April 2021, the Company announced a progress update on the Joint Development Agreement signed in August 2020 (the "JDA"). The first two phases of the program have been focused on lithium nickel manganese oxide ("LNMO") cathode materials and have been successfully completed with validation by both parties. Work is now shifting to scale-up considerations, detailed economic analysis, third-party evaluation, and preliminary planning for commercialization. The work under this agreement is on schedule and on budget, and the LNMO materials have met phase one and two metrics for performance and economics.

### *Co-Development Agreement with CBMM (Framework Cooperation Agreement)*

On May 6, 2021, the Company announced the execution of an advanced lithium-ion battery cathode materials coating

development agreement with CBMM, the global leader in the production and commercialization of niobium products and technologies. The objective of the agreement is to optimize Nano One's patented One-Pot process for nickel rich cathode materials using niobium from CBMM as a coating. Niobium is a key element in the advancement of lithium-ion battery cathode materials as it can be made to form a coating on the outer surface of each grain of a cathode powder.

### *Joint Development Agreement with Johnson Matthey*

On June 3, 2021, the Company announced the execution of a joint development agreement with Johnson Matthey a global leader in sustainable technologies. Under this agreement the companies will co-develop next generation products and processes for Johnson Matthey's eLNO® family of nickel-rich advanced cathode materials using Nano One's patented One-Pot process and coated nanocrystal technology, for the low-cost, low-carbon footprint production of high-performance lithium-ion battery cathode materials. The agreement will focus on developing materials, methods of production and a detailed commercialization study for pre-pilot, pilot and scaled up manufacturing.

### *Graduation to the Toronto Stock Exchange*

On June 8, 2021, the Company's common shares commenced trading on the TSX under the new symbol "NANO" and ceased trading on the TSX-V.

### *Facility/Personnel Expansion*

A 1,200 sq. ft. dry room has been commissioned for the development of high-nickel materials and the Company has also increased its thermal processing capacity, cell fabrication and testing facilities. The team continues to grow to meet internal (innovation) and external (collaborator) commitments with nearly

50 employees currently.

### *New Patents*

On June 17, 2021, the Company announced three (3) new patents issued and allowed in Canada, the US and China. These patents extend the patent estate to provide protection for lithium-ion cathode powders formed by the proprietary One-Pot Process developed by Nano One.

### Financial update

During the six months ended June 30, 2021, Nano One generated a net increase in cash and cash equivalents of approximately $27,565,000 inclusive of a short-form prospectus financing of common shares which completed on April 1, 2021 for gross proceeds of approximately $28,900,000.

Other key contributors to the increase in cash and cash equivalents were:

- Exercises of stock options and warrants for total proceeds of approximately $4,548,000; and
- Proceeds from Government assistance programs mainly comprising $262,500 from Sustainable Development Technology Canada (“SDTC”).

During the three and six months ended June 30, 2021, the Company significantly increased its research expenditures in relation to its Framework Cooperation Agreement executed with CBMM (May 2021), aimed at optimizing Nano One’s patented One-Pot process for nickel rich cathode materials using CBMM’s niobium as a protective coating. Additionally, there has been a significant focus on efforts relating to the Joint Development Agreement signed with an Asian cathode manufacturer (August 2020) which is focused on LNMO cathode materials with work shifting to scale-up considerations, detailed economic analysis, third-party

evaluation, and preliminary planning for commercialization. Significant progress was also made in LNMO scale up and optimization. Lastly, the Company is also progressing scaling efforts relating to the Cathode Evaluation Agreement (December 2020) with an American based multinational auto manufacturer to jointly evaluate the performance and commercial benefit of Nano One's patented One-Pot process for Nickel Manganese Cobalt ("NMC") and cobalt-free cathode materials in electric vehicle applications.

Accordingly, the Company incurred research expenses of approximately $956,000 and $1,000,000 for the three and six months ended June 30, 2021, respectively and purchased/made deposits for research and development equipment, computer equipment and software, and leasehold improvements of approximately $877,000. Increased capital expenditures are facilitated by the expansion in Nano One's human resources personnel and the addition of 10,000 sq. ft. of research facilities.

As at June 30, 2021, Nano One had working capital of approximately $55,100,000, total assets of approximately $58,000,000 and total liabilities of approximately $1,300,000. All currency is in Canadian dollars unless otherwise specified.

For a more detailed discussion of Nano One's second quarter and year to date 2021 results, please refer to the Company's financial statements and management's discussion & analysis, which are available at 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**.

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

Media Contact:
Chelsea Lauber
Antenna Group for Nano One
nanoone@antennagroup.com
(646) 854-8721

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support and awards 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: any future collaborations that may happen with partners such as CBMM, Johnson Matthey or any others that may occur; 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 commercialization; and other risk factors as identified in Nano One's MD&A and its Annual Information Form dated March 15, 2021, both for the year ended December 31, 2020, and in recent securities filings for the Company which is 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

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