

Nano One Provides Quarterly Progress Update and Reports Q4 2022 Results

written by Raj Shah | March 31, 2023

March 31, 2023 ([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 audited annual consolidated financial statements (the “financial statements”), management’s discussion & analysis (“MD&A”), and annual information form (“AIF”) as at and for the year ended December 31, 2022 (“Q4 2022”) and is pleased to provide the following highlights from Q4 2022.

Q4 2022 Highlights and Headlines

- Working capital of ~\$40.6 million; cash of ~\$39.5 million
- Acquisition of Johnson Matthey’s 80,000 ft² Cadiac production facility in Montreal successfully closed.
 - The only existing North American lithium iron phosphate (“LFP”) production facility.
 - Addition of ~50 experienced professionals with nearly 400 years of scale-up, commercialization, and cathode manufacturing expertise on LFP to the Nano One team.
 - Commenced One-Pot trials and decommissioning of unused equipment.
- Joint Development Agreement entered into with Umicore

“2022 was a pivotal year for Nano One,” said CEO Dan Blondal, “The successful completion of the Candiatic acquisition has now added approximately 50 talented professionals to our team and a state-of-the-art LFP production facility, giving us an enviable head-start on the emerging LFP market. We are in a strong position to expand our business rapidly to meet the growing demand for high-performance battery materials. Our innovative One-Pot process provides a significant opportunity to differentiate our supply chain, both economically and environmentally, and we are confident that it will enable us to create a sustainably robust and secure supply chain, that can be one hundred percent domiciled in North America, to serve markets in Canada, the USA, Europe, Indo-Pacific region, and other emerging battery jurisdictions. We look forward to leveraging our expertise and capabilities to drive business, commercial, and plant conversion decisions in 2023 and beyond.”

Corporate Milestones for Q4 2022

Acquisition of Johnson Matthey Battery Materials Ltd.

On November 1, 2022, the Company closed the acquisition of Johnson Matthey Battery Materials Ltd. (“JMBM Canada”), a Canadian entity located in Candiatic, Québec. The Company paid cash consideration of \$10,250,000, plus working capital items totalling \$5,750,000, and incurred transaction costs (legal fees) of \$352,993, for aggregate consideration of \$16,352,993 (the “acquisition”).

As the acquisition constituted an asset acquisition under the guidance provided in IFRS 3, *Business Combinations*, the consideration paid was allocated on a pro rata basis to the fair values of the assets and liabilities acquired. Accordingly, the amount recognized within the financial statements for property, plant and equipment amounted to \$10,602,993. Moreover, the

Company engaged an arm's-length appraiser to estimate fair value information whereby the fair value of the property (land and building) was determined to be approximately \$25,000,000, and the fair value (under the ordinary liquidation value (OLV) method) of the equipment acquired amounted to approximately \$7,500,000.

Prior to closing of the acquisition, Nano One initiated planning, engineering, and developing business channels in collaboration with key employees at the Candiatic facility. The Company has analyzed the techno-economics, critical minerals, carbon footprint, and environmental impact of its One-Pot process extensively and the Company believes this process provides a significant opportunity to differentiate itself both economically and environmentally.

Trials to verify the production of LFP using Nano One's patented One-Pot process in the Candiatic facility have commenced. The team engaged a local engineering firm that has experience in the design and build of the Candiatic facility to assist with large pilot trials of the One-Pot process, helping to bridge the learning curve and expedite the facility's transition to Nano One. Results from these trials will be used to make critical business, commercial, and plant conversion decisions in 2023. The Company has also ordered critical raw material inputs and equipment, including One-Pot reactors, to support these transition activities.

Joint Development Agreement – Umicore

On December 21, 2022, the Company announced the signing of a joint development agreement ("JDA") with Umicore, a circular materials technology company. Under the JDA, the companies will co-develop production process technologies for CAM for lithium-ion batteries. Under the JDA, Umicore will evaluate Nano One's

patented One-Pot M2CAM Process technology with the intention to integrate it with Umicore's proprietary process technology for the production of high-nickel NMC CAM. With the JDA, both parties aim to leverage their respective technologies and know-how to further increase the throughput rate while reducing the costs and environmental footprint of CAM production.

Q4 2022 Financial Position and Results

- Total assets of ~\$56,100,000 (Q3 2022 – ~\$59,100,000)
- Total liabilities of ~\$2,627,000 (Q3 2022 – ~\$1,300,000)
- Net use of cash of ~\$6,500,000 to facilitate operational and strategic efforts (Q3 2022 – ~\$2,000,000)
- Proceeds from Government programs, interest income, cost recoveries, and exercises of stock options and warrants of ~\$850,000
- Use of cash for Candiac acquisition and investments in equipment, patent issuance fees, and deposits of ~\$6,500,000

For a more detailed discussion of Nano One's annual 2022 results, please refer to the Company's financial statements, MD&A, and AIF 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. With strategic collaborations and partnerships, including automotive OEMs and strategic industry supply chain companies like 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 future business and strategies; estimated future working capital, funds available, and uses of funds, and future capital expenditures and other expenses for specific operations, intellectual property protection; industry demand; ability to obtain employees, consultants or advisors with specialized skills and knowledge; anticipated 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 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 its facilities; and scalability of developed technology; and the execution of the Company's plans – which are contingent on support 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 29, 2023, both for the year ended December 31, 2022, and in recent securities filings for the Company which are 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 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.