Well partnered (and well-funded) with key battery suppliers, Nano One charges forward on ‘Mission Possible’…

written by InvestorNews | April 10, 2020

Nano One secures an additional $11 million in cash to provide a multi-year funding runway for their work on lithium-ion battery cathodes

For companies that are not yet producing revenues, the threat of running out of funding is a significant business risk. As the COVID-19 disruption deepens and some companies run low on cash, Nano One Materials has secured an additional $11 million in funding which will provide them with “a multi-year runway extending over three years.” This essentially removes the short-term funding risk making the stock a safer buy for investors.

Nano One Materials Corp. (TSXV: NNO) is working on making lithium-ion batteries better. Nano One has developed patented and scaleable industrial processes for producing low cost, high performance, battery materials typically used in the battery cathode. The processing technology enables lower-cost feedstocks, simplifies production, and advances performance for a wide range of cathode materials.

Nano One is working to make lithium-ion battery cathodes cheaper and better

Source

Nano One's recent funding success

- $11m raised from private and institutional groups
- $5.25m grant from Sustainable Development Technology Canada (SDTC)

In connection with the closing of the $11m financing, Nano One issued 9,565,000 units at a price of $1.15 per unit with each unit comprising of one common share in the capital of the Company (the "Shares") and one-half of one common share purchase warrant (the "Warrants"). Each whole Warrant is exercisable into one share at an exercise price of $1.60 per until February 21, 2023.

The proceeds from the financing will be used for corporate development, facilities expansion, technology advancement and general working capital.

Nano One CEO Mr. Dan Blondal stated:

"We are thrilled with the capital market response to this latest placement. The proceeds from this financing will also be leveraged by an additional five million dollars in non-dilutive and non-repayable contributions, that was awarded to Nano One by Sustainable Development Technology Canada in May of 2019. ***The sum of sixteen million dollars*** *enables us to accelerate business plans and co-development activities including those already underway with Volkswagen, Pulead, Saint-Gobain and other undisclosed global automotive interests."*

Note: Nano One also receives financial support from the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP).

Nano One – Why invest?

Nano One's development partners

Nano One is very well partnered into key battery suppliers and some car manufacturers, including several big names – Pulead, Saint-Gobain and Volkswagen. Nano One is working with Pulead to develop better LFP batteries, with Saint-Gobain to improve thermal processing and to develop enhanced high temprature cathode processing, and with Volkswagen to develop advanced materials for next generation batteries.

Apart from the partnerships discussed above and other undisclosed opportunities, Nano One has 16 patents with 30+ patents pending.

Nano One's business model

Nano One's goal is to achieve up to $1 billion in licensing fees revenue for their patented cathode technologies, by tapping into the rapidly growing cathode market that is forecast to be worth $23 billion by 2025.

Nano One is tapping into the battery cathode market which is forecast to be worth $23 billion in revenues by 2025

Source

Closing remarks

Nano One is ticking all the right boxes.

- Great patented technology – Check.
- Industry leading partners (Pulead, Saint-Gobain and

Volkswagen) – Check
- Funding secured ($16 million in total) – Check
- Government backing – Check

With a potential up to $1 billion licensing fees opportunity and a market cap of just C$80 million, it is not too late for investors to get on board. If Nano One succeeds it will have been a great time for investors to have bought in now after the recent dip. Execution risk remains, but the rewards look large if Nano One can pull it off.