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## California Nanotechnologies Announces Q1 2024 Results

- ◆ Record quarterly revenue of US\$509K representing 55% YOY growth
- ◆ Maintained strong EBITDA<sup>1</sup> while continuing growth investments
- ◆ Manufacturing contracts expected to drive another record revenue quarter in Q2/FY2024

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**LOS ANGELES, CALIFORNIA, July 31, 2023** - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce record quarterly revenues of US\$509,288 for the quarter ending May 31, 2023. This represents an increase of 55% compared to the same period last year. Net income for the quarter was US\$35,467, compared to US\$50,270 in the same period last year, while EBITDA was US\$100,942, compared to US\$104,805 in the same period last year. Net income and EBITDA remained relatively stable despite implementation of a higher cost structure to support future revenue growth, offset by increased contribution margin from more revenue in the quarter. The financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the [Company's website](#).

"We are off to a strong start this year as we execute on a growing backdrop of activity for our advanced material technologies," stated CEO Eric Eyerman. "This was evidenced by our record revenue quarter, contract wins with a leading green steel cleantech company, and a growing base of existing customers. Additionally, our quoting activity for Spark Plasma Sintering (SPS) equipment remains robust, supporting our growth plan for the rest of the year."

The Q1/FY2024 revenue increase was due to ongoing R&D manufacturing programs with repeat customers, contributions from the new green steel cleantech company, and the Company's first SPS equipment delivery to Stony Brook University, valued at US\$124,500. Gross margin for the quarter was affected by this first equipment delivery, as equipment sales provide lower gross margins than manufacturing contracts.

Cal Nano expects continued revenue growth in subsequent quarters from contracted manufacturing revenues and increasing SPS equipment quotes. As a result, Q2/FY2024 is expected to be another record-breaking revenue quarter,

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<sup>1</sup> Non-IFRS Measure

driven exclusively by contributions from manufacturing. Cal Nano aims to prioritize long-term revenue generation from manufacturing contracts, as they are more scalable, offer a higher gross margin, and improve predictability.

In recognition of the growing market, the Company's CEO, Eric Eyerman visited several partners, including Idaho National Lab and Pennsylvania State University, which host some of the largest-sized SPS equipment in North America. These partners play a crucial role in developing the SPS ecosystem by providing resources to help commercialize the technology, which aligns with Cal Nano's shared goal. The visits resulted in an understanding among researchers that the U.S. is witnessing an unprecedented level of interest in SPS technology and recognize the growing necessity for a commercial partner like Cal Nano. This stems from the limitations and incentives of research institutes, creating a need for a bridge to achieve commercial-scale production, a role that Cal Nano aims to fulfill.

Lastly, Cal Nano continues to evaluate options for increasing its manufacturing capacity. This includes finding and securing a location for the recently purchased cryomill, and potentially acquiring a larger-sized SPS manufacturing system.

#### **About California Nanotechnologies Corp.**

At Cal Nano, we envision a world in which our advanced technologies are used to help make the most innovative products on this planet and beyond. Global leaders trust us to help push the boundaries of applied material science by utilizing our unique technical expertise and vision. Headquartered in Los Angeles, California, Cal Nano hosts advanced processing and testing capabilities for materials research and production needs. Customers range from Fortune 500 companies to startups with programs spanning aerospace, renewable energy, defense, and semiconductors.

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#### Non-IFRS Measures and Reconciliation of Non-IFRS Measures

*This press release makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations of Cal Nano from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of Cal Nano reported under IFRS. The Company uses non-IFRS measures such as EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its capital expenditure and working capital requirements.*

*"EBITDA" means the earnings before interest, income taxes, depreciation, and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income.*

*"EBITDA margin" means the earnings before interest, income taxes, depreciation, and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income as a percentage of total revenues.*

#### Reconciliations and Calculations

The table set forth below provides a quantitative reconciliation of EBITDA, which is a Non-IFRS financial measure, to the most comparable IFRS measure disclosed in the Company's financial statements. The reconciliation of Non-IFRS measures to the most directly comparable measure calculated in accordance with IFRS is provided below where appropriate. Quotes do not have a directly comparable IFRS measure.

#### EBITDA Reconciliation

Amounts in USD	Three months ended May 31, 2023	Three months ended May 31, 2022
<b>Net Income/(Loss)</b>	<b>35,467</b>	<b>50,270</b>
Interest Expense	28,510	18,747
Taxes	800	800
Depreciation & Amortization	36,165	34,988
<b>EBITDA</b>	<b>\$100,942</b>	<b>\$104,805</b>
<b>EBITDA Margin</b>	<b>20%</b>	<b>32%</b>

#### Reader Advisory

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to the expected future performance of the Company. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, governmental regulation, including environmental regulation; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**