NanoXplore Reports Fourth Quarter and Year Ended 2022 Financial Results

MONTREAL, Sept. 14, 2022 -- NanoXplore Inc. ("NanoXplore" or "the Corporation") (TSX: GRA and OTCQX: NNXPF), a world-leading graphene company, reported today financial results for the quarter and year ended June 30, 2022.

All amounts in this press release are in Canadian dollars, unless otherwise stated.

Highlights

- Record total revenues of $94.3 million in 2022, up 30% compared to 2021, beating our $90 million guidance
- Continued increase of graphene-enhanced product sales and active funnel growing
- Adjusted EBITDA* totaled $0.1 million for the Q4-2022, an improvement of $2.5 million over Q3-2022
- Total liquidity of $58.6 million as at June 30, 2022, including cash and cash equivalents of $51.2 million
- Total long-term debt of $9.5 million as at June 30, 2022
- Subsequent to quarter-end, we acquired a significant portion of XG Sciences' assets with focus on battery materials

Overview

Soroush Nazarpour, President and Chief Executive Officer, stated: "I am very pleased with NanoXplore's performance in Q4-2022 as we beat our revenue guidance and achieved positive adjusted EBITDA, despite yet again unfavourable supply chain issues. Even though inflation in raw material prices and wages are continuing to impact negatively on our business, we are maintaining the quality of our balance sheet and our liquidity while continuing to invest in our graphene commercialization efforts."

Pedro Azevedo, Chief Financial Officer, stated: "We ended 2022 on a strong note with increased sales of graphene-enhanced products along with a strong liquidity position of $58.6 million. Having achieved positive adjusted EBITDA for the first quarter in our corporate history demonstrates the progress in our business. It also points out to our ability to be operationally profitable, under the right market conditions, while we continue to invest in market penetration of graphene and graphene-enhanced products."

Results of operations may include certain unusual and other items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Corporation results. In addition to IFRS measures, management uses non-IFRS measures in the Corporation's disclosures that it believes provide the most appropriate basis on which to evaluate the Corporation's results.

	Q4-2022	Q3-2022	Q2-2022	Q1-2022
	$	$	$	$
Revenues from customers	**28,080,085**	27,997,816	18,425,908	17,830,017
Adjusted EBITDA *	**112,735**	(2,384,227)	(3,139,026)	(3,760,406)

A. Three-month period

Revenues

	Q4-2022	Q4-2021	Variation	
	$	$	$	%
Revenues from customers	**28,080,085**	19,608,770	8,471,315	43.2%
Other income	**200,391**	1,277,398	(1,077,007)	(84%)
Total revenues	**28,280,476**	20,886,168	7,394,308	35%

Revenues from customers increased from $19,608,770 in the last year quarter (Q4-2021) to $28,080,085 in the current quarter (Q4-2022). This increase is mainly due to a positive product mix including graphene-enhanced products, the acquisition of Canuck Compounders Inc. ("Canuck") in December 2021, new sales programs, and price increases.

Other income decreased from $1,277,398 in the last year quarter (Q4-2021) to $200,391 in the current quarter (Q4-2022). The decrease is explained by the end of the CEWS program set up by the Canadian Federal government to help businesses deal with the COVID-19 pandemic. The Corporation received nil under this program during Q4-2022 compared to $1,005,770 in Q4-2021 as the program ended in October 2021.

Adjusted EBITDA

The adjusted EBITDA improved from -$3,018,654 in the last year quarter (Q4-2021) to $112,735 in the current quarter (Q4-2022). The variation is explained as follows:

- Gross margin on total revenues increased by $2,589,196 compared to last year due to higher sales, a positive product mix, price increases, improved productivity, and cost control; and
- Lower administrative expenses (SG&A and R&D) of $542,193 mainly due to lower variable compensation and reduction of discretionary spending.

B. For the years ended

Revenues

	2022	2021	Variation	
	$	$	$	%
Revenues from customers	**92,333,826**	66,654,634	25,679,192	39%
Other income	**1,973,333**	5,693,768	(3,720,435)	(65%)
Total revenues	**94,307,159**	72,348,402	21,958,757	30%

Revenues from customers increased from $66,654,634 in 2021 to $92,333,826 in 2022. The increase is mainly explained by acquisitions of Canuck on December 15, 2021 and positive product mix including graphene-enhanced products.

Other income decreased from $5,693,768 in 2021 to $1,973,333 in 2022. The decrease is explained by the end of the CEWS program set up by the Canadian Federal government to help businesses deal with the COVID-19 pandemic. The Corporation received $840,249 under this program during 2022 compared to $4,723,884 in 2021 as the program ended in October 2021.

Additional information about the Corporation, including the Corporation's Management Discussion and Analysis for the years ended June 30, 2022 and 2021 ("MD&A") and the Corporation's consolidated financial statements for the years ended June 30, 2022 and 2021 (the "financial statements") can be found at www.nanoxplore.ca.

*** Non-IFRS Measures**

The financial statements and MD&A were prepared using results and financial information determined under IFRS. However, the Corporation considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Corporation. These measures, which the Corporation believes are widely used by investors, securities analysts and other interested parties in evaluating the Corporation's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include "Adjusted EBITDA".

Webcast

NanoXplore will hold a webcast tomorrow, September 15, 2022, at 8:30 am EST to review its fourth quarter and year ended June 30, 2022 results. Soroush Nazarpour, CEO and President of NanoXplore, and Pedro Azevedo, Chief Financial Officer, will host the event. To access the webcast please click on the link https://edge.media-server.com/mmc/p/5uijhip4 or you can access through our website in the Investors section under Events and Presentations. A replay of this event can be accessed via the above link or on our website.

About NanoXplore

NanoXplore is a graphene company, a manufacturer and supplier of high-volume graphene powder for use in industrial markets. The Corporation provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors. NanoXplore is headquartered in Montreal, Quebec with manufacturing facilities in Canada, the United States and Europe.

Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements, and subject to risks and uncertainties. All forward-looking statements are based on our beliefs as well as assumptions based on information available at the time the assumption was made and on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors deemed appropriate in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Forward-looking statements are not facts, but only predications and can generally be identified by the use of statements that include phrases such as "anticipate", "believe", "continue", "could", "estimate", "foresee", "grow", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties. Such forward-looking information necessarily involves known and unknown risks and uncertainties, including the relevant assumptions and risks factors set out in NanoXplore's most recent annual management discussion and analysis filed on SEDAR at www.sedar.com, which may cause NanoXplore's actual results to differ materially from any projections of future results expressed or implied by such forward-looking information. These risks, uncertainties and other factors include, among others, the uncertain and unpredictable condition of global economy, notably as a consequence of the Covid-19 pandemic. Any forward-looking information is made as of the date hereof and, except as required by law, NanoXplore does not undertake any obligation to update or revise any forward–looking statement as a result of new information, subsequent events or otherwise.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements.

No securities regulatory authority has either approved or disapproved the contents of this press release.

For further information:

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