# NanoXplore Reports Results for its Q1-2025

**Montreal, Quebec — November 6, 2024** – NanoXplore Inc. (“NanoXplore” or “the Corporation”) (TSX: GRA and OTCQX: NNXPF), a world-leading graphene company, reported today financial results for the three-month period ended September 30, 2024.

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

## Key Financial Highlights

- Total revenues of $33,665,414 compared to $28,936,031 last year, representing a 16% increase;
- Adjusted gross margin[1] on revenues from customers of 20.9% compared to 19.7% last year;
- Loss of $2,719,012 compared to $3,726,078 last year;
- Adjusted EBITDA[2] of $1,124,299 compared to an adjusted EBITDA loss of $488,332 last year;
- Adjusted EBITDA[2] of $1,512,104 compared to $170,654 last year for the Advanced Materials, Plastics and Composite Products segment;
- Adjusted EBITDA[2] loss of $387,805 compared to an adjusted EBITDA loss of $618,986 last year for the Battery Cells segment (VoltaXplore initiative);
- Total liquidity of $31,342,215 as at September 30, 2024, including cash and cash equivalents of $21,342,215;
- Total long-term debt of $5,853,678 as of September 30, 2024, down by $492,825 compared to June 30, 2024;
- The Corporation expects total revenues of between $140 million and $155 million for the year ending June 30, 2025.

## Overview

**Pedro Azevedo, Chief Financial Officer, stated:** “Our fiscal year is off to a solid start. Sales growth in low double-digits, adjusted margins continuing to expand and a higher adjusted EBITDA. This year will see NanoXplore adding to its manufacturing capacity in order sell more graphene-enhanced materials to our customers, continue to execute on our 5-year strategic plan while working with several existing and new partners on commercial uses of graphene. For the year, we are expecting solid year-over-year growth as uses of graphene continue to expand despite some uncertainty related to our largest customer’s activity.”

**Soroush Nazarpour, President & Chief Executive Officer, stated:** “We’re pleased with our performance at the start of the year, despite some hesitancy in demand from certain customers in the transportation sector due to labour strikes and relatively elevated inventory levels. Nonetheless, demand for our Advanced Materials, Plastics, and Composite Products continues to be strong, as reflected in our robust organic revenue growth this quarter. We are prioritizing direct graphene powder sales due to their higher gross margins compared to graphene-enhanced compounds and composite products. We're also encouraged by the progress in various end markets for graphene powder, particularly in drilling fluid and foam applications. Our balance sheet remains strong, and we continue to uphold our leadership in graphene-enhanced solutions.”

## * Non-IFRS Measures

The Corporation prepares its financial statements 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” and “Adjusted gross margin”.

The following tables provide a reconciliation of IFRS “Loss” to Non-IFRS “Adjusted EBITDA” and of IFRS “Gross margin” to Non-IFRS “Adjusted Gross margin” for the three-month periods ended September 30, 2024 and 2023.

(1) Adjusted gross margin is a non-IFRS measure and a reconciliation can be found in the “Overall Results” section.

(2) Adjusted EBITDA is a non-IFRS measure and a reconciliation can be found in the “Overall Results” section.

### IFRS “Loss” to Non-IFRS “Adjusted EBITDA”

| | Q1-2025<br>$ | Q1-2024<br>$ |
|---|---|---|
| Loss | **(2,719,012)** | (3,726,078) |
| Current and deferred income (tax recovery) | **474,614** | (226,429) |
| Net interest expenses (revenues) | **38,842** | (29,913) |
| Gain on disposal of property, plant and equipment | **—** | (18,260) |
| Foreign exchange | **30,082** | 572,596 |
| Share-based compensation expenses | **517,536** | 302,062 |
| Non-operational items (1) | **40,000** | 40,000 |
| Depreciation and amortization | **2,742,237** | 2,637,690 |
| **Adjusted EBITDA** | **1,124,299** | (448,332) |
| **- From Advanced materials, plastics and composite products** | **1,512,104** | 170,654 |
| **- From Battery cells** | **(387,805)** | (618,986) |

(1) Non-operational items consist of professional fees mainly due to prospectuses related fees.

### IFRS “Gross margin” to Non-IFRS “Adjusted Gross margin”

| | Q1-2025<br>$ | Q1-2024<br>$ |
|---|---|---|
| Revenues from customers | **33,327,069** | 28,706,752 |
| Cost of sales | **26,369,904** | 23,047,454 |
| **Adjusted gross margin** | **6,957,165** | 5,659,298 |
| Depreciation (production) | **1,620,181** | 1,517,147 |
| **Gross margin** | **5,336,984** | 4,142,151 |

## REPORTING SEGMENTS RESULTS

NanoXplore reports its financials in two distinct segments: Advanced Materials, Plastics and Composite Products and Battery Cells.

| | Q1-2025<br>$ | Q1-2024<br>$ | Variation<br>$ | <br>% |
|---|---|---|---|---|
| **From Advanced Materials, Plastics and Composite Products** | | | | |
| **Revenues** | **33,635,593** | 28,914,101 | 4,721,492 | 16% |
| **Non-IFRS Measures:** | | | | |
| Adjusted EBITDA * | **1,512,104** | 170,654 | 1,341,450 | 786% |
| **From Battery Cells** | | | | |
| **Revenues** | **29,821** | 21,930 | 7,891 | 36% |
| **Non-IFRS Measures:** | | | | |
| Adjusted EBITDA * | **(387,805)** | (618,986) | 231,181 | 37% |

## A. RESULTS OF OPERATIONS VARIANCE ANALYSIS - THREE-MONTH PERIODS

**Revenues**

| | Q1-2025 | Q1-2024 | Variation | |
|---|---|---|---|---|
| | $ | $ | $ | % |
| Revenues from customers | **33,327,069** | 28,706,752 | 4,620,317 | 16% |
| Other income | **338,345** | 229,279 | 109,066 | 48% |
| **Total revenues** | **33,665,414** | 28,936,031 | 4,729,383 | 16% |

All revenues are coming from the segment of advanced materials, plastics and composite products, except for $29,821 of other revenues [Q1-2024 – $21,930] from the segment battery cells.

Revenues from customers increased from $28,706,752 in Q1-2024 to $33,327,069 in Q1-2025. This increase is mainly due to a higher volume, a positive FX impact and higher tooling revenues.

Other income increased from $229,279 in Q1-2024 to $338,345 in Q1-2025. The variation is due to grants received for R&D programs.

**Adjusted EBITDA**

**1) From Advanced Materials, Plastics and Composite Products**

The adjusted EBITDA improved from $170,654 in Q1-2024 to $1,512,104 in Q1-2025. The variation is explained as follows:

- Adjusted Gross margin on revenues from customers increased by $1,297,867 compared to Q1-2024 due to higher sales as described above, favourable product mix, improved productivity and cost control.

**2) From Battery Cells**

The adjusted EBITDA loss passed from $618,986 in Q1-2024 to $387,805 in Q1-2025. The variation is explained by the operational expenses decrease (Selling, General & Administration and Research & Development) of $223,290.

## B. OTHER

Additional information about the Corporation, including the Corporation's Management Discussion and Analysis for the three-month periods ended September 30, 2024 and 2023 ("MD&A") and the Corporation's consolidated financial statements for the three-month periods ended September, 2024 and 2023 (the "financial statements") can be found at www.nanoxplore.ca.

## WEBCAST

NanoXplore will hold a webcast tomorrow, November 7, 2024, at 10:00 am EST to review its three-month period ended September 30, 2024. 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/ranpwxjr** 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 transportation and industrial markets. Also, the Corporation provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors. The Corporation is also a silicon-graphene-enhanced Li-ion battery manufacturer for the Electric Vehicle and grid storage markets. 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.sedarplus.ca, 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.

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