- Record annual revenue of US$3,337K representing 142% YOY increase
- New facility progressing well with equipment expected to be commissioned in August 2024
- Q1/FY2025 expected to build on momentum with record quarterly revenue and profitability

Los Angeles, California--(Newsfile Corp. - June 27, 2024) - California Nanotechnologies Corp. (TSXV: CNO) (OTC Pink: CANOF) ("Cal Nano" or the "Company") is pleased to announce record annual revenues of US$3,337,457 for the fiscal year ending February 29, 2024. This represents an increase of 142% compared to the same period last year. Revenues for the quarter ended February 29, 2024, were US$983,004, representing an increase of 171% compared to the same period last year.

Net income for the fiscal year was US$381,678, compared to US$79,764 in the same period last year, while adjusted EBITDA1 was US$1,157,141, compared to US$384,174 for the same period last year. A net loss of US$318,359 was recorded for the quarter ended February 29, 2024, compared to a net loss of US$8,811, while adjusted EBITDA was US$325,326, compared to US$73,025 for the same period last year.

Diluted earnings per share for the fiscal year increased to $0.01 compared to $0.00 in the same period last year, while remaining unchanged at $0.00 for the quarter ended February 29, 2024, compared to the same period last year.

Adjusted EBITDA1 showed significant improvements due to the contribution margin from higher revenue generation relating to R&D manufacturing programs and equipment sales, which was partly offset by new investments to expand the Company's manufacturing footprint. Net income saw improvements for the reasons above but was partly offset by a US$363,256 unrealized loss on share purchase warrants2, employee bonus payments, and consulting expenses. The financial statements are available on SEDAR+ at www.sedarplus.ca and on the Company's website.

"FY2024 was a transformative year for Cal Nano as we executed on growth initiatives including the signing of key clients, scaling up R&D contracts, signing a new lease to expand our footprint, and installing additional capacity," stated CEO Eric Eyerman. "We hope to continue the momentum in the new fiscal year, and at this time, we are expecting Q1/FY2025 to be a record quarter in revenue and profitability."

Financial Highlights

Amounts in USD	**Three months ended February 29, 2024**	**Three months ended February 28, 2023**	**Twelve months ended February 29, 2024**	**Twelve months ended February 28, 2023**
Revenues	**983,004**	362,364	**3,337,457**	1,381,934
Cost of Goods Sold	250,254	66,078	**1,002,866**	383,754
Gross Profit	732,750	296,286	**2,334,591**	998,180
Gross Margin1	**75%**	82%	**70%**	72%
Net Income/(Loss)	**(381,360)**	(8,811)	**381,678**	79,764
Income/(loss) Per Share - Basic and Diluted	**$0.00**	$0.00	**$0.01**	$0.00
EBITDA1	**(324,837)**	44,159	**633,342**	337,912
Adjusted EBITDA1	**325,236**	73,025	**1,157,141**	384,174

The increase in revenue for FY2024 was attributable to the ongoing ramp-up of R&D manufacturing programs and Spark Plasma Sintering (SPS) equipment deliveries. Q4/FY2024 saw higher revenues from R&D manufacturing and no contributions from equipment sales. The green steel cleantech customer continues to be the largest customer to date and accounts for the majority of revenues for the 2024 fiscal year. Cal Nano is in the pilot production stage with several customers in the aerospace, industrial, and automotive markets who have the potential to convert to commercial production contracts.

Cal Nano delivered two SPS systems in Q1/FY2025 (one to each of the University of Connecticut and Embry-Riddle University), contributing to the expected record revenue quarter. While not a core focus, Cal Nano expects equipment sales and deliveries to continue, helping build its growing aftermarket parts and service business.

Since the Company took possession of the new Santa Ana facility on March 1, 2024, the infrastructure to support the new cryomilling equipment has been completed along with securing key operational permits. Preparation of the infrastructure for the new MSP-5 SPS machine is ongoing in anticipation of its delivery in August 2024. Since Cal Nano announced the purchase of the MSP-5, the Company has garnered interest from new and existing customers who have started initial production discussions. The new machine has opened new markets for Cal Nano due to its larger size allowing bigger, more expensive parts to be processed.

Cal Nano currently expects fiscal year 2025 to be another year of significant growth as it makes the transition to its new facility and executes on R&D and potential commercial manufacturing opportunities.

Lastly, the Company currently expects to release its Q1/FY2025 on or about mid-July.

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 Greater 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.

"Adjusted EBITDA" refers to earnings before interest, income taxes, depreciation, amortization, share-based compensation, and the unrealized gain on share purchase warrants, with interest defined as net finance costs as per the consolidated statement of comprehensive income.

"Adjusted EBITDA margin" refers to earnings before interest, income taxes, depreciation, amortization, share-based compensation, and the unrealized gain or loss on share purchase warrants, with interest defined as net finance costs as per the consolidated statement of comprehensive income as a percentage of total revenues.

Reconciliations and Calculations

The tables set forth below provides a quantitative reconciliation of Gross Margin and EBITDA, which are Non-IFRS financial measures, 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.

Gross Margin Reconciliation

Amounts in USD	**Three months ended February 29, 2024**	**Three months ended February 28, 2023**	**Twelve months ended February 29, 2024**	**Twelve months ended February 28, 2023**
Revenues	**983,004**	**362,364**	**3,337,457**	**1,381,934**
Cost of Goods Sold	250,254	66,078	1,002,866	383,754
Gross Profit	732,750	296,286	2,334,591	998,180
Gross Margin	**75%**	**82%**	**70%**	**72%**

EBITDA and Adjusted EBITDA Reconciliation

Amounts in USD	**Three months ended February 29, 2024**	**Three months ended February 28, 2023**	**Twelve months ended February 29, 2024**	**Twelve months ended February 28, 2023**
Net Income/(Loss)	**(318,268)**	**(8,811)**	**381,678**	**79,764**
Depreciation & Amortization	36,509	36,864	145,599	142,430
Interest Expense	20,879	12,862	106,066	111,675
Income Tax Expense	-	3,244	-	4,044
EBITDA	**(324,837)**	**44,159**	**633,342**	**337,912**
EBITDA Margin	***(33%)***	***12%***	***19%***	***24%***
Share-based Compensation	286,817	28,866	359,516	46,262
Unrealized Loss/(Gain) on Share Purchase Warrants	363,257	-	164,283	-
Adjusted EBITDA	**325,326**	**73,025**	**1,157,141**	**384,174**
Adjusted EBITDA Margin	***33%***	***20%***	***35%***	***28%***

Derivative Liability Recognition for Warrant Issuance under IFRS

On October 30, 2023, the Company successfully closed an issuance of units comprising common shares and warrants, encompassing an aggregate of 5,000,000 warrants, each with an exercise price of CA$0.25. As a *result of the Company reporting its financial results denominated in US dollars, and in adherence to the International Financial Reporting Standards (IFRS), the Company is required to report a derivative liability attributable to the aforementioned warrants. Consequently, the Company will recognize a non-cash charge or income inclusion on a quarterly basis, predicated upon the fluctuation in the market price of the Company's shares, until such time as the warrants either are exercised or expire.*

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: future financial results, including anticipated profitability and/or lack thereof; statements about future plans, including statements about the planned expansion of the Company's manufacturing capacity, and new sites for the Company's production and headquarters; demand for the Company's services by current and future customers, including existing and future orders for the Company's SPS equipment and the anticipated revenue therefrom; and 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; a significant change in demand for the Company's services and products; industry conditions, governmental regulation, including environmental regulation; the effects of product development and need for continued technological change; the effect of government regulation and compliance on the Corporation and the industry; research and development risks; reliance on key personnel; operations in foreign jurisdictions; protection of intellectual property rights; contractual risk; third-party risk, risk of technological or scientific obsolescence; dependence of technical infrastructure; 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.sedarplus.ca. 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.

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1 Non-IFRS Measure
2 See disclosure under "Derivative Liability Recognition for Warrant Issuance under IFRS"