

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

**NANOPHASE TECHNOLOGIES Corp**

**Form: 8-K**

**Date Filed: 2017-04-25**

Corporate Issuer CIK: 883107

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event Reported): April 25, 2017

**NANOPHASE TECHNOLOGIES CORPORATION**

(Exact Name of Registrant as Specified in Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

**0-22333**

(Commission File Number)

**36-3687863**

(I.R.S. Employer Identification Number)

**1319 Marquette Drive, Romeoville, Illinois 60446**

(Address of Principal Executive Offices) (Zip Code)

**(630) 771-6700**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On April 25, 2017, the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1. Press release dated April 25, 2017

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**NANOPHASE TECHNOLOGIES CORPORATION**

Date: April 25, 2017

By: /s/ FRANK CESARIO  
FRANK CESARIO  
Chief Financial Officer

## **Nanophase Reports First Quarter 2017 Financial Results**

The company's financial conference call is scheduled for April 26, 2017 at 11am EDT

ROMEOVILLE, Ill., April 25, 2017 (GLOBE NEWSWIRE) -- Nanophase Technologies Corporation (OTCQB:NANX), a technology leader in nanomaterials and advanced nanoengineered products, today reported financial results for the first quarter ended March 31, 2017.

"We have visibility to a strong first half of 2017," commented Nanophase CEO and President Jess Jankowski. "The base business is solid, we are penetrating the personal care market more deeply through our fully formulated personal care subsidiary, and we are seeing early stage commercial expansion in the solar control space. New product development in personal care has consumed dollars that would have otherwise increased our quarterly profit, but we believe the longer-term result will justify our investment."

### **First Quarter 2017 Financial Highlights**

- Revenue for the first quarter was \$3.5 million, vs. the \$2.2 million reported during the first quarter of 2016.
- The net income for the quarter was \$47,000, or \$0.00 per share, compared to a net loss of \$0.6 million, or \$0.02 per share, for the comparable 2016 quarter.
- The Company finished the quarter with approximately \$1.5 million in cash and cash equivalents; the Company has no debt.

Jankowski continued, "We had some swing items go our way, but overall our results are indicative of a stronger business. It is no secret that we expect to grow during 2017."

*Shareholders and members of the financial community are encouraged to participate in the upcoming conference call, where Mr. Jankowski will discuss the company's current and long-term prospects.*

### **First Quarter 2017 Conference Call**

The Nanophase conference call, to be hosted by Jess Jankowski, the Company's President & CEO, is scheduled for April 26, 2017, at 10:00 a.m. CDT, 11:00 a.m. EDT. The conference call dial-in number for U.S. callers is 877-312-8776 and for international callers is 408-774-4007. The conference ID is 8270913. Please dial in to the conference at least five minutes before the call is scheduled to begin.

The call may also be accessed through the company's website, at [www.nanophase.com](http://www.nanophase.com), by clicking on Investor Relations, Investor News and the link in the first quarter 2017 conference call announcement release.

### **Use of Non-GAAP Financial Information**

Nanophase believes that the presentation of results excluding certain items, such as non-cash equity compensation charges, provides meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods. The Company uses these non-GAAP measures for internal planning and reporting purposes. These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or net income per share prepared in accordance with generally accepted accounting principles.

### **About Nanophase Technologies**

Nanophase Technologies Corporation (NANX), [www.nanophase.com](http://www.nanophase.com), is a leader in nanomaterials technologies and provides nanoengineered solutions for multiple industrial product applications. Using a platform of patented and proprietary integrated nanomaterial technologies, the Company creates products with unique performance attributes from two ISO 9001:2008 and ISO 14001 facilities. Nanophase delivers commercial quantity and quality nanoparticles, coated nanoparticles, and nanoparticle dispersions in a variety of media.

### **Forward-Looking Statements**

*This press release contains words such as "expects," "shall," "will," "believes," and similar expressions that are intended to identify forward-looking statements within the meaning of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Such statements in this announcement are made based on the Company's current beliefs, known events and circumstances at the time of publication, and as such, are subject in the future to unforeseen risks and uncertainties that could cause the Company's results of operations, performance and achievements to differ materially from current expectations expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, without limitation, the following: a decision by a customer to cancel a purchase order or supply agreement in light of the Company's dependence on a limited number of key customers; uncertain demand for, and acceptance of, the Company's nanocrystalline materials; the Company's manufacturing capacity and product mix flexibility in light of customer demand; the Company's limited marketing experience; changes in development and distribution relationships; the impact of competitive products and technologies; the Company's dependence on patents and protection of proprietary information; the resolution of litigation in which the Company may become involved; the impact of any potential new government regulations that could be difficult to respond to or too costly to comply with while remaining financially viable; the ability of the Company to maintain an appropriate electronic trading venue; and other factors described in the Company's Form 10-K filed March 29, 2017. In addition, the Company's forward-looking statements could be affected by general industry and market conditions and growth rates. Except as*

required by federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events, uncertainties or other contingencies.

## NANOPHASE TECHNOLOGIES CORPORATION

### BALANCE SHEETS

	<b>ASSETS</b>	<b>March 31, 2017 (Unaudited)</b>	<b>December 31, 2016</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,526,860	\$ 1,779,027	
Trade accounts receivable, less allowance for doubtful accounts of \$5,000 on March 31, 2017 and on December 31, 2016	1,338,357	434,226	
Other receivables, net	1,987	96	
Inventories, net	739,961	771,975	
Prepaid expenses and other current assets	337,127	441,634	
Total current assets	3,944,292	3,426,958	
Equipment and leasehold improvements, net	1,432,048	1,395,441	
Other assets, net	19,280	19,893	
	<u>\$ 5,395,620</u>	<u>\$ 4,842,292</u>	
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Current portion of capital lease obligations	\$ 48,674	\$ 107,021	
Accounts payable	936,196	669,025	
Accrued expenses	623,082	521,302	
Total current liabilities	1,607,952	1,297,348	
Long-term portion of capital lease obligations	272,666	109,448	
Long-term deferred rent	447,990	465,850	
Asset retirement obligations	179,913	178,378	
	900,569	753,676	
 <b>Stockholders' equity:</b>			
Preferred stock, \$.01 par value, 24,088 shares authorized and no shares issued and outstanding	-	-	-
Common stock, \$.01 par value, 42,000,000 shares authorized; 31,234,330 and 31,229,996 shares issued and outstanding on March 31, 2017 and December 31, 2016, respectively	312,343	312,300	-
Additional paid-in capital	97,408,715	97,359,324	
Accumulated deficit	(94,833,959)	(94,880,356)	
Total stockholders' equity	2,887,099	2,791,268	
	<u>\$ 5,395,620</u>	<u>\$ 4,842,292</u>	

**STATEMENTS OF OPERATIONS**

(Unaudited)

**Three months ended  
March 31,**  
**2017            2016**

**Revenue:**

Product revenue	\$ 3,466,465	\$ 2,189,223
Other revenue	19,138	21,881
Total revenue	<u>3,485,603</u>	<u>2,211,104</u>

**Operating expense:**

Cost of revenue	2,281,333	1,754,636
Gross profit	<u>1,204,270</u>	<u>456,468</u>
Research and development expense	383,699	301,598
Selling, general and administrative expense	763,837	761,221
Income/(loss) from operations	<u>56,734</u>	<u>(606,351)</u>
Interest income	-	-
Interest expense	(10,338)	(4,258)
Other, net	<u>-</u>	<u>7</u>
Income/(loss) before provision for income taxes	<u>46,396</u>	<u>(610,602)</u>

Provision for income taxes

Net income/(loss)

\$ 46,396    \$ (610,602)

Net income/(loss) per share-basic and diluted

\$ -    \$ (0.02)

Weighted average number of basic and diluted

common shares outstanding

31,230,092    30,014,067

**NANOPHASE TECHNOLOGIES CORPORATION**

**STATEMENTS OF OPERATIONS - EXPANDED SCHEDULE**

(Unaudited)

**Three months ended  
March 31,**  
**2017            2016**

**Revenue:**

Product revenue, net	\$ 3,466,465	\$ 2,189,223
Other revenue	19,138	21,881
Total revenue	<u>3,485,603</u>	<u>2,211,104</u>

**Operating expense:**

<i>Cost of revenue detail:</i>		
Depreciation	71,792	142,923
Non-Cash equity compensation	6,126	5,993

Other costs of revenue	2,203,415	1,605,720
Cost of revenue	2,281,333	1,754,636
Gross profit	1,204,270	456,468

*Research and development expense detail:*

Depreciation	18,259	28,555
Non-Cash equity compensation	11,894	9,331
Other research and development expense	353,546	263,712
Research and development expense	383,699	301,598

*Selling, general and administrative expense detail:*

Depreciation and amortization	4,594	10,209
Non-Cash equity compensation	29,684	31,297
Other selling, general and administrative expense	729,559	719,715
Selling, general and administrative expense	763,837	761,221
Income/(loss) from operations	56,734	(606,351)
Interest income	-	-
Interest expense	(10,338)	(4,258)
Other, net	-	7
Income/(loss) before provision for income taxes	46,396	(610,602)
Provision for income taxes	-	-
Net income/(loss)	\$ 46,396	\$ (610,602)

Non-GAAP Disclosure (see note regarding Non-GAAP disclosures):

Addback Interest, net	10,338	4,258
Addback Depreciation/Amortization	94,645	181,687
Addback Non-Cash Equity Compensation	47,704	46,621
Adjusted EBITDA	\$ 199,083	\$ (378,036)

**COMPANY CONTACT**

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 Investor Relations  
 630-771-6708