



Nanophase Reports 4th Quarter 2013 Financial Results

February 26, 2014

The company's financial conference call is scheduled for February 27, 2014 at 11am EST

Romeoville, IL, - February 26, 2014 - Nanophase Technologies Corporation (OTCQB: NANX), a technology leader in nanomaterials and advanced nanoengineered products, today reported financial results for the fourth quarter and fiscal year ended December 31, 2013.

Nanophase CEO and President Jess Jankowski commented, "New and expanding customer orders enabled our 2013 run rate to remain ahead of 2012's through November. This was despite losing \$1 million in 2012 revenue related to one piece of legacy business, and the conclusion of revenue from a long-term license agreement. As a reminder of why we are pursuing larger pieces of business that are new to us, a December shift caused full-year revenue to be slightly less than in 2012. As we pursue our new applications in energy and surface finishing technologies, we look to change the equation going forward."

Q4 Financial Results

Fourth Quarter 2013 Financial Highlights

- Revenue for the fourth quarter was \$1.8 million, vs. the \$2.7 million reported during the fourth quarter of 2012.
- The net loss for the quarter was \$0.9 million, or a loss of \$0.03 per share, compared to a net loss of \$0.6 million, or \$0.02 per share, for the comparable 2012 quarter.
- The Company finished the quarter with approximately \$3.3 million in cash and cash equivalents; the company has no debt.

Fiscal Year 2013 Financial Highlights

- Revenue for fiscal year 2013 was \$9.6 million, vs. \$10.0 million in fiscal year 2012.
- The net loss for the year ended December 31, 2013 was \$2.5 million, or a loss of \$0.09 per share, compared to a net loss of \$2.4 million, or \$0.10 per share, for the comparable 2012 period.

Jankowski continued, "The markets in both the battery and energy control areas that we are targeting are very well developed and defined, as is our expansion in surface finishing technologies. We believe we have a strong value proposition in each, and each fits nicely within our core competencies. Continuing to develop a handful of new initiatives on top of steady improvement in the existing business should make us a stronger company in 2014 and put us where we all want to be in terms of future growth potential."

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.

Fourth Quarter 2013 Conference Call

The Nanophase conference call, to be hosted by Jess Jankowski, the Company's President & CEO, is scheduled for February 27, 2013, at 10:00 a.m. CST, 11:00 a.m. EST. 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 17543733. 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, by clicking on the link under News Center and Calendar of Events to listen to a webcast of the event.

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, 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, 2013. 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.