# Nano One Provides Shareholder Update

written by Raj Shah | January 29, 2025

January 29, 2025 (Source) – **Nano One® Materials Corp. (TSX:NANO)(OTC PINK:NNOMF)(Frankfurt:LBMB)** ("Nano One" or the "Company"), a cleantech company with a patented process for the low-cost, low-GHG production of lithium-ion battery cathode active materials, is pleased to provide commentary from our Chair, Mr. Anthony Tse, and an update from our CEO, Mr. Dan Blondal, on the Company's progress towards its long-term objectives.

View this letter in its original stylized format (PDF).

**Chairman's Statement**

Dear Shareholders,

I am pleased to share with you some perspectives on the state and outlook of the market and where I believe Nano One has a key role to play as the battery materials sector experiences unprecedented growth.

The global market for battery demand experienced robust growth in 2024, supported by increases in both the electric vehicle (EV) segment and the energy storage system (ESS) sectors. According to Rho Motion, 2024 global EV sales reported strong year-over-year growth – with a 25% increase totaling 17.1-million-unit sales. Regional sales were led by China, which reported 40% growth, followed by Rest of the World markets with a 27% increase – growth in the North American market slowed to a 9% increase, while the UK/European markets contracted by 3% for the year.

Global ESS installations also reported strong growth for the year, with a 53% year-over-year increase, representing a total of 205GWh installed capacity worldwide. China led regional growth, commanding a share over 67% of all ESS deployments globally, followed by North America as the next largest market. By category, grid applications represent over 78% of global deployment and importantly, of those energy storage systems deployed, over 98% were based on lithium-ion battery technologies.

In terms of chemistry mix, lithium iron phosphate (LFP) chemistries continued its strong growth momentum and now represents a 39% share of the EV battery market (Benchmark Minerals Intelligence) on a global basis. In the ESS segment, across both the grid and behind-the-meter applications, LFP is the dominant chemistry, accounting for over 95% of installed capacity (Rho Motion). According to Benchmark, LFP now represents over 56% of the global cathode market, a trend expected to continue due to the advantages of LFP chemistries in safety and cost-competitiveness, at both cell and systems levels. Its dominance in the storage segment means that this chemistry is poised for further growth in demand through 2025 and beyond, with currently an estimated 400+GWh of installations planned in the grid projects pipeline.

Nano One and its technology is well-positioned to capture the increasing growth in demand for LFP in markets outside of China, as the Company continues to progress on its patented One-Pot™ process and expand its production capabilities at the Candiac Facility in Québec Canada. At the same it, the Company is focused on evaluating and advancing opportunities to deploy its technology in other future cathode operations through partnerships globally.

Following my appointment as Chair last year, I have been working

closely with the management team on refining the strategy and execution plan, as Nano One progresses initiatives to commercialize its process technology. The goal is to deliver scalable, efficient and sustainable cathode material solutions to meet the growing demand from the lithium-ion battery sector and thereby unlock shareholder value.

Thank you all for your continued support.

**Anthony Tse**
Chairman

Nano One Materials Corp.

**Message from our CEO**

Dear Shareholders,

2024 was a year of meaningful progress and execution for Nano One. We continued to deliver on the strategic goals we set, strengthening our foundation as we transition to commercial production and licensing.

**Key highlights include:**

- Secured $18 million in funding from the **Québec Government**, reinforcing our role in Québec's strategy to build a complete LFP battery supply chain.
- Granted US$12.9 million from the **U.S. Department of Defense**, supporting the expansion of North American LFP production at our Candiac facility.
- Awarded C$2.8 million from **Next Generation Manufacturing Canada** (NGen) to support joint development of One-Pot reactors and kiln components.
- Added $5 million in non-dilutive working capital from **sale of vacant land**.

- Initiated and advanced a **partnership with Worley** to jointly design, market and license modular LFP production plants aimed at unlocking cost and permitting advantages with our One-Pot™ process.
- **Cost Comparison study with Worley** showcased that One-Pot delivers:
    - 30% savings in capital and operating costs,
    - 80% reduction in energy and water use,
    - 50% fewer GHG emissions, and
    - The complete elimination of wastewater.

- Grew our intellectual property portfolio with **11 new patents** in 2024, totaling 48 globally, with more than 56 pending.

The global demand for LFP cathode materials continues to surge, driven by growing adoption in EVs, energy storage systems (ESS), and AI data centers. China, which dominates approximately 95% of global LFP production capacity (International Energy Agency, IEA, Global EV Outlook 2024), recently proposed export restrictions which cover processing technology and operational know-how used in the production of LFP cathode material, precursors, and raw material inputs. A move that came just after Trump's 2024 day-one tariff threats (which were subsequently postponed). This demonstrates the strategic importance of LFP and is a wake-up call for the rest of the world to localize materials processing to ensure energy security, especially as North America and Europe enter a phase of unprecedented growth in the demand for energy. According to Rho Motion, the U.S. and EU have emerged as the second fastest-growing markets for energy storage systems (ESS), supported by expanding grid infrastructure.

Nano One has long anticipated these challenges and is uniquely

positioned to meet demand, with our One-Pot™ enabled LFP cathode production facilities, designed for easy permitting, modular deployment, and rapid adoption. Our technology is homegrown, and our team has 20 years of experience making LFP. In other words, decoupled from China. We are serving a global market by enabling flexible feedstocks and cost-competitive production for waste-free and easy-to-permit plants that transcend borders.

With a diverse set of emerging clients that serve Europe, the Indo-Pacific, and the United States, Nano One can elect where it sells its LFP and to whom it licenses its technology-enabling us to navigate emerging markets, tariffs, and trade restrictions with agility. This flexibility is bolstered by strong government support, world-class strategic partners, and clearly defined near-, mid-, and long-term revenue pathways through production and licensing-bringing us closer than ever to delivering on our vision.

**Our 2025 Catalysts Include:**

- **Finance** – Begin drawing down $40M in government reimbursements to accelerate production, scaling, and commercial LFP sales.
- **Increase Non-Dilutive Funding** – Add further working capital from government programs and other sources.
- **Capacity Expansion** – Complete Candiac engineering & launch 1000+ tpa LFP capacity project.
- **LFP sales** – Sampling and sales of initial Candiac production volumes to support advancement towards multi-year contracts.
- **CAM Package** – Finalize 25 ktpa LFP CAM plant engineering design with Worley for licensing/joint venture.
- **Licensing** – Market LFP pre-sales and detailed CAM Package to secure LOI/MOU agreements.
- **One-Pot Equipment** – Design reactor and kiln components

with Worley Chemetics and develop partnerships with other equipment providers.
- **Supply Chain** – Diversify region-specific raw materials supply base to support licensee growth.
- **Innovation** – Advancing M2CAM® (Metals Direct to Cathode Materials) across all chemistries with partners while expanding our patent portfolio, production know-how, and product specification.

I am inspired by our team's commitment and proud of our accomplishments. By continually achieving key milestones, we are steadfast in our commitment and creating long-term value for our shareholders.

Thank you for your continued trust in the team at Nano One.

**Dan Blondal**
Chief Executive Officer
Nano One Materials Corp.

**About Nano One®**

Nano One® Materials Corp. (Nano One) is a clean technology company changing how the world makes cathode active materials for lithium-ion batteries. Applications include electric vehicles (EVs), stationary energy storage systems (ESS), and consumer electronics. The Company's patented One-Pot process reduces costs, carbon intensity (lower GHGs), environmental footprint, and reliance on problematic supply chains. Scalability is proven and being demonstrated at Nano One's LFP (lithium-iron-phosphate) pilot production plant in Québec-the only facility and expertise of its kind outside of Asia. Strategic collaborations and partnerships with international companies like Sumitomo Metal Mining, Rio Tinto, and Worley are supporting a global growth strategy via technology licensing and

joint ventures. Nano One has received funding from the Government of Canada, the Government of the United States, the Government of Québec, and the Government of British Columbia. The company is leveraging deep industry expertise and plans to license and deploy cleaner cathode manufacturing plant design packages-delivering cost-competitive and faster-to-market battery materials solutions world-wide.

For more information, please visit **nanoOne.ca**

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***Cautionary Notes and Forward-looking Statements***

*Certain information contained herein may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking information in this shareholder letter includes the Company's current and future business and strategies; the intention to grow the business, operations, revenues, and potential activities of the Company; industry demand and adoption; sales of LFP and potential offtake commitments; competitive conditions; general economic conditions; the functions and intended benefits of Nano One's technology and products; the development of the Company's technology, supply chains and products; scalability of developed technology; current and future collaboration engineering, and optimization research projects; the successful and timely commencement of a commercialization phase; the purpose for expanding its facilities; the Company's licensing, joint venture opportunities and/or potential royalty arrangements; the*

*Company's potential eligibility and benefit from recent global regulatory decisions; continued innovation on manufacturing processes, equipment and recycling; successful execution of the Company's milestones; and the acceleration and execution of the Company's plans – which are contingent on support, grants and long-term support from the Company's shareholders. Generally, forward-looking information can be identified by the use of terminology such as 'believe', 'expect', 'anticipate', 'plan', 'intend', 'continue', 'estimate', 'may', 'will', 'should', 'ongoing', 'target', 'goal', 'potential' or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the current opinions and estimates of management as of the date such statements are made are not, and cannot be, a guarantee of future results or events. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including but not limited to: the success in the marketing and deployment of the cathode manufacturing plant design packages; general and global economic and regulatory changes; next steps and timely execution of the Company's business plans; the development of technology, supply chains, and plans for construction, scale-up and operation of cathode production facilities; successful current or future collaborations that may happen with OEM's, miners or others; successful execution of the Company's milestones; the execution of the Company's plans which are contingent on support and grants; the Company's ability to achieve its stated goals; the commercialization of the Company's technology and patents via license, joint venture and independent production; anticipated global demand, adoption and projected growth for LFP batteries; and other risk factors as identified in Nano One's MD&A and its*

*Annual Information Form dated March 27, 2024, both for the year ended December 31, 2023, and in recent securities filings for the Company which are available at www.sedarplus.ca. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake any obligation to update any forward-looking statements or forward-looking information that is incorporated by reference herein, except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.*

**SOURCE:** Nano One Materials Corp.