

Adionics to raise Series C next year for lithium extraction tech - CEO

by Deborah Balshem

Adionics, a France-based direct lithium extraction (DLE) technology company, plans to raise a Series C funding round in 2H25, CEO Gabriel Toffani said.

The size of the round is yet to be determined but a portion of the proceeds are expected to help fund Adionics' contribution to the development of future "build-own-operate" projects in the US or in the "Lithium Triangle" in South America (Chile, Argentina and Bolivia), Toffani said. Adionics already has been chosen as technology provider for its first lithium plant in which its contribution, via a separate special purpose company (SPC), is around USD 30m, he added.

The first plant will likely be built in the western US and the second one in the US, Chile or Argentina, he noted.

Series C proceeds will be used to finance the company's development as it works towards profitability, Toffani said. It will increase commercial activity and continue to fund R&D in sectors including lithium extraction from hard rock and lithium battery recycling, he added.

Adionics has raised EUR 32m to date, most recently closing a EUR 25m Series B in July 2023, Toffani said.

Construction of the first industrial plant is expected to commence in mid-2025, with production slated for mid-2027, according to the CEO. The initial plant is expected to produce 3,000 tons of lithium chloride a year. The timing of a second plant is uncertain but it could happen as soon as late 2025, Toffani said.

The company currently has two pilot projects in Argentina and Germany, where its partner K-Utec uses the produced lithium chloride to yield lithium carbonate. Each pilot produces 15 tons of lithium chloride a year, Toffani said, adding that a third pilot project will be installed in Latin America in 2025 that should produce 250 tons of lithium chloride a year.

Adionics generates a small amount of revenue from its pilots, which have brought in USD 2m over the last two years, he said.

The company's patented, closed-loop liquid-liquid extraction process continuously and sustainably recovers lithium salts from brines such as salt flats, geothermal water and production water, without the need for extensive evaporation ponds or the use of traditional reagents. It achieves high lithium recovery rates and lithium salt purity, while saving up to 90% strip water due to its thermal regeneration process, Toffani said.

Adionics can also extract high quality lithium from batteries. The company's customers are largely mining companies working in Argentina and Chile, though it will also target recycling companies in the US and Europe, he said.

Board member Guillaume de Souza founded Adionics in 2012. Toffani was appointed CEO in March 2022 after serving as an executive at global water and waste solutions company SUEZ for more than 32 years.

Adionics' investors include Bpifrance, Supernova Invest, Celeste Management, Ovive, an industrial water treatment and leachate equipment company; and SQM [NYSE:SQM], a Chilean chemical company and a supplier of plant nutrients, iodine, lithium and industrial chemicals.

The industry is seeing increased demand from the electrification of the global automobile fleet and the storage of renewable electricity, Toffani said. There has not been much M&A activity in the crowded DLE space, he added, while predicting consolidation should happen over the next three to four years.

There are roughly 60 DLE players, which is “too much for the market,” he said.

He named among Adionics’ primary peers California-based Lilac Solutions, backed by ONCAP, the middle market private equity platform of Onex; and Calgary-based Summit Nanotech, which has raised more than USD 65m from investors including BDC Capital’s Climate Tech Fund.

Adionics has 50 employees, of which 40 are in France and the rest in Argentina.

***Mergermarket** provides growth strategy insights, and forward-looking M&A intelligence and data to investment banks, private equity firms, lenders, law firms, accounting firms and corporates via our 500+ worldwide journalists. Our parent company, ION Group, is a global leader in trading and workflow automation software, high-value analytics and insights, and strategic consulting.*