NEO Battery Establishes Collaboration Agreement with Lotus Energy to Strengthen Recycled Silicon Anode Initiative

written by Raj Shah | July 26, 2024
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- New Collaboration Agreement with Australia-Based Solar PV Recycler – Lotus Energy Recycling
  - Lotus Energy: Proprietary Recycling Technology Know-How to Produce High-Purity 99.9% Recycled PV Silicon
  - To Reach 3,600 kg Per Annum Scale in 2024 and Expansion to 120,000 kg Per Annum Subsequently Planned in Each of Melbourne, Sydney, and Germany by 2026

- Will Explore Joint Venture Opportunities for North American Footprint in Silicon Recycling
  - Will Apply to Governmental Funding for International Cooperation

- To Enhance Commercial Viability, Material Compatibility, and Supply Chain Resiliency by Extending Commercial Relationships with Silicon Recyclers

NEO Battery Materials Ltd. ("**NEO**" or the "**Company**"), a low-cost silicon anode materials developer that enables longer-running,

rapid-charging lithium-ion batteries, is pleased to announce the Collaboration Agreement (the "**Agreement**") with Lotus Energy Recycling ("**Lotus**") – an Australian-based solar photovoltaic (PV) recycler. The partnership will aid the Company's sustainable route-to-commercialization and supply chain resiliency for input materials.

NEO and Lotus intend to develop a silicon anode product to co-market directly to battery cell, electronics, and automotive manufacturers. Both companies will explore joint venture opportunities to establish a North American footprint in silicon recycling. Governmental funding for international cooperation will be applied for in advanced manufacturing and clean technology based on availability and criteria-match.

This Agreement further bolsters NEO's pillared strategy to build commercial-level relationships and diversify the silicon upstream value chain. NEO Battery aims to enhance the commercial viability and compatibility of recycled silicon as a reliable raw material source for its silicon anode materials.

Lotus Energy possesses a proprietary recycling know-how to recover solar silicon cells from end-life solar PV cells. The scalable process implements a heat and chemical treatment without the use of hazardous solvents and materials, removing the risk of environmental concern and reducing unnecessary manufacturing costs and overhead. Lotus has consistently achieved high-purity levels of 99.9%+ for its recycled PV nano silicon particles.

Headquartered in Melbourne, Australia, Lotus Energy has deployed several magnitudes of megawatt-hour (MWh) solar projects across the country ranging from commercial and industrial to residential applications. Lotus commenced the value-added PV recycling initiative and is expected to complete scale-up to

3,600 kgs per year by the end of this year. Subsequently, the production capacity is expected to increase to 120,000 kgs per year for its Melbourne plant. Lotus Energy intends to construct facilities in Sydney and Germany to supply its high-purity recycled PV nano silicon to various industrial and electronics applications.

Mr. Anthony Vippond, Co-Founder and CEO of Lotus, commented, "*We are incredibly excited to be collaborating with NEO Battery Materials. We are aligned in our beliefs of the importance of nano- and micro-silicon applied into batteries, utilising recycled materials to minimize the impact on the environment. The energy storage industry will see massive advancements, and we aim to be part of the team that makes those quantum leaps we seek and all need for renewables to be able to supply base load and peak demand energy.*"

Mr. Spencer Huh, President and CEO of NEO, commented, "*This newly added collaboration aligns perfectly with our strategic vision of sustainability, innovation, and supply chain resiliency. Following our collaboration with INNOX eco-M, this partnership with Lotus will add another layer of depth and intricacy in NEO's research and develop to utilize recycled silicon as the main raw material source. In a study administered by the Korea Photovoltaic Industry Association (KOPIA), approximately 3,000 tons and 30,000 tons of end-life PV cells will be released in 2027 and 2033, respectively. This fact implies that NEO will be able to secure a large proportion of ESG-friendly input precursors to diversify away from metallurgical-grade silicon produced from GHG-emitting carbothermic processes.*"

About NEO Battery Materials Ltd.

NEO Battery Materials is a Canadian battery materials technology company focused on developing silicon anode materials for

lithium-ion batteries in electric vehicles, electronics, and energy storage systems. With a patent-protected, low-cost manufacturing process, NEO Battery enables longer-running and ultra-fast charging batteries compared to existing state-of-the-art technologies. The Company aims to be a globally-leading producer of silicon anode materials for the electric vehicle and energy storage industries. For more information, please visit the Company's website at: https://www.neobatterymaterials.com/.

On Behalf of the Board of Directors
Spencer Sung Bum Huh
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