NEO Battery Materials Signs a Strategic MOU with Automobile & PCB Inc. Listed on South Korean Exchange

written by Raj Shah | June 8, 2022
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- MOU to Jointly Pursue Strategic Investments through NBM Korea Co. with South Korean Automotive Parts Manufacturer, Automobile & PCB Inc. ("A&P")
- Intention to Cooperate with Strategic Financing, Silicon Anode Commercialization Effort, and Global Business Network Expansion
- Yongsan, A&P's related company, generated CAD $600M in annual revenues and directly supplies to Hyundai, Kia Motors, and BYD Auto
    - NEO Battery Materials to Utilize A&P and Yongsan's Established Network in Automotive Business

NEO Battery Materials Ltd. ("**NEO**" or the "**Company**") is pleased to announce that the Company has signed a Strategic Memorandum of Understanding ("**MOU**") with Automobile & PCB Inc. ("**A&P**") on June 7th. The MOU establishes strategic investment and cooperation between NEO and A&P to advance the Korean mass production facility of NEO's silicon anode materials for electric vehicle (EV) lithium-ion batteries.

A&P is a public company listed on the KOSPI, the main board of the Korea Exchange. In 2021, A&P has recorded annual revenues of CAD $70M with its automotive parts business, and its related company, Yongsan, generated automotive parts manufacturing

revenues of CAD $600M in 2021. Yongsan possesses 17 production sites across 5 countries including South Korea, China, the U.S., Mexico, and India, and it employs ~3,300 workers across the company's global network.

Through this strategic MOU, NEO and A&P will pursue cooperation to construct NEO's Silicon Anode Commercial Plant in South Korea by attracting strategic investments to NBM Korea Co. Ltd., a wholly owned subsidiary of NEO. A&P will actively support NEO in its commercialization efforts, and both parties have established a top priority of pursuing strategic investments into NBM Korea.

Both parties have also agreed to take advantage of the reputable and recognized network of A&P's related companies, YSP and Yongsan, to strengthen NEO's global business network. Through its dominance in product quality and management, Yongsan is a reputable vendor to Hyundai, Kia Motors, Suzuki, Geely Auto, and BYD Auto.

Mr. Spencer Huh, President and CEO of NEO, commented, "Through this MOU, NEO Battery Materials is closer to completing the initial strategic financing through NBM Korea. We are very excited to establish a practical business relationship with A&P in South Korea. A&P has been in the automotive industry for more than 45 years through its direct and related companies. We strongly believe that we could secure the first and meaningful financing shortly."

About Automobile & PCB Inc.

Automobile & PCB Inc is a public company listed on the Korean Exchange and currently listed on the main board, KOSPI. A&P has annual revenues of CAD $70M with an operating income of CAD $6.8 M from its automotive parts business. A&P also retains a 100% subsidiary for its PCB business with yearly revenues of CAD 65M. Yongsan, another related company of A&P, has 43 years of

corporate history in the automotive industry. With annual revenues of CAD $600M, it has 17 production sites across 5 countries (Korea, China, US, Mexico, and India). Customers include Hyundai, Kia Motors, Suzuki (Japan), and 4 Chinese automotive companies including BYD Auto and Great Wall.

About NEO Battery Materials Ltd.

NEO Battery Materials Ltd. is a Vancouver-based company focused on electric vehicle lithium-ion battery materials. NEO has a focus on producing silicon anode materials through its proprietary single-step nanocoating process, which provides improvements in capacity and efficiency over lithium-ion batteries using graphite in their anode materials. The Company intends to become a silicon anode active materials supplier to the electric vehicle industry. For more information, please visit the Company's website at: https://www.neobatterymaterials.com/.

On behalf of the Board of Directors

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fluctuating commodity prices, the effectiveness and feasibility of technologies which have not yet been tested or proven on a commercial scale, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

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