NEO Battery Secures $4.5 Million Purchase Order for High-Performance Silicon Battery Solutions from Asian Drone Manufacturer

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- $4.5 Million CAD Purchase Order & Joint Development Agreement Secured for High-Performance Silicon Battery Solutions from Asian Drone/UAV Manufacturer
- To Design & Manufacture Two Silicon-Enhanced Battery Products Tailored to Customer's Commercial Drone/UAV Systems
  - P-200 Silicon Battery for Short-Duration, Combat Drone & P-300 Silicon Battery for Industrial & Surveillance UAV
  - To Integrate Batteries into Existing Drone Systems Supplied to South Korean & Indian Military and Industrial Companies in APAC Region
- Targeting High Energy Density (> 350 Wh/kg) & Robust Capacity Retention and Safety at High Power Output for Extended Flight Time, Heavier Payload & Flexible Mission Operability

TORONTO, Sept. 12, 2025 -- NEO Battery Materials Ltd. ("NEO" or the "Company") (TSXV: NBM) (OTC: NBMFF), a low-cost, silicon-enhanced battery materials and components developer that enables longer-running, rapid-charging batteries, is pleased to receive its first, multi-year purchase order valued at $4.5 million CAD and secure a Joint Development Agreement ("JDA") for high-performance battery products with an Asian manufacturer specializing in AI-powered mission flight control systems for drones and unmanned aerial vehicles (UAV) (the "Customer"). NEO's silicon-enhanced battery products will deliver industry-leading capacities, safety-reinforced power output, and overall weight reduction to enhance flight time, payload capacity, and mission operability.

"We are highly pleased to announce this milestone for NEO's high-performance silicon battery development initiative for defence and industrial drone/UAVs," commented Mr. Spencer Huh, President & CEO of NEO. "With our team from the globally-largest battery manufacturers and a proven track-record of commercializing complex battery products, we aim to build a secure supply chain outside of China to become a tier-1 battery solution vendor for U.S., European, and Asian drone/UAV manufacturers."

Under the JDA, NEO Battery will design and manufacture two advanced battery products tailored to the Customer's drone/UAV systems. The first product will incorporate the P-200 silicon anode series to produce high-capacity, high-power-output batteries designed for short-duration, combat drone missions. The second product will leverage the P-300N silicon series for industrial and surveillance UAVs, enabling extended flight-time capabilities and heavier payload capacities.

Structured in a three-phased development, NEO shall deliver (i) robust capacity retention and safety at high discharge/output rates and (ii) high energy density exceeding 350 watt-hours per kilogram (Wh/kg), representing more than a 40 to 59 percent increase compared to conventional drone batteries of 220 to 250 Wh/kg. The Customer will perform system-level integration of developed battery solutions and conduct rigorous, advanced field trials for final commercial deployment.

The Customer has accordingly committed to a 3-year purchase order of the two advanced silicon-enhanced battery products, valuing the total purchase commitments to $4.5 million CAD. Revenues are expected to be realized upon the completion of agreed JDA objectives and the delivery of commercial battery products. The Customer intends to integrate NEO's silicon battery products into drone and UAV systems supplied to Asia-Pacific (APAC) industrial companies and governmental agencies, including South Korean and Indian military operations.

About NEO Battery Materials Ltd.
NEO Battery Materials is a Canadian battery technology company focused on developing and producing silicon-enhanced lithium-ion batteries in drones, unmanned aerial vehicles (UAV), robotics, unmanned

systems, electronics, electric vehicles, and energy storage systems for AI data centers. With a patent-protected, low-cost manufacturing process, NEO Battery enables longer-running and ultra-fast charging batteries and provides end-to-end battery solutions from materials selection, cell architecture, and process optimization. The Company aims to be a globally-leading producer of high-performance lithium-ion battery components and materials, building a secure, robust battery supply chain in North America. For more information, please visit the Company's website at: https://www.neobatterymaterials.com/.

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Forward-looking information is 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 information, including but not limited to: volatile stock prices; the general global markets and economic conditions; the possibility of write-downs and impairments; the risk associated with the research and development of battery-related technologies; the risk associated with the effectiveness and feasibility of technologies that have not yet been tested or proven on commercial scale; manufacturing process scale-up risks, including maintaining consistent material quality, production yields, and process reproducibility at a pilot or commercial scale; the risks associated with compatibility of existing battery chemistries; unforeseen risks associated with entering into and maintaining collaborations, joint ventures, or partnerships with battery cell manufacturers, original equipment manufacturers, and various companies in the global battery and downstream supply chain; the risks associated with the failure to develop and produce commercially viable products or that technical goals may not be achieved within expected timelines or budgets under a joint development or collaboration; the risk associated that purchase orders may not be fulfilled in full or on time, as actual revenue realization depends on delivery schedules, achievement of technical milestones, and customer acceptance testing; counterparty risk upon delivery of commercial products; the risks associated with the construction, completion, and financing of commercial facilities including the Windsor and South Korean facilities; the risks associated with supply chain disruptions or cost fluctuations in raw materials, processing chemicals, and additive prices, impacting production costs and commercial viability; the risks associated with uninsurable risks arising during the course of research, development and production; competition faced by the Company in securing experienced personnel and financing; access to adequate infrastructure and resources to support battery materials research and development activities; the risks associated with changes in the technology regulatory regime governing the Company; the risks associated with the timely execution of the Company's strategies and business plans; the risks associated with the lithium-ion battery industry's demand and adoption of the Company's silicon anode and battery technology; market adoption and integration challenges, including the difficulty of incorporating silicon anodes and silicon battery products within battery manufacturers and OEMs systems; the risks associated with the various environmental and political regulations the Company is subject to; risks related to regulatory and permitting delays; the reliance on key personnel; liquidity risks; the risk of litigation; risk management; and other risk factors as identified in the Company's recent Financial Statements and MD&A and in recent securities filings for the Company which are available on www.sedarplus.ca. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued R&D and commercialization activities, no material adverse change in precursor prices, development and commercialization plans to proceed in accordance with plans and such plans to achieve their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the 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 forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations, research and development, and commercialization plans and may not be appropriate for other purposes. Accordingly, readers should not

place undue reliance on forward-looking information. Forward-looking information is made as of the date of this presentation, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

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