NEO Battery & Korea Institute for Defense Industry Form Joint Task Force to Advance Battery Integration in Commercial Drones

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- Partnering with Korea Institute for Defense Industry - a Ministry of National Defense-Approved Organization Dedicated to Advancing South Korea's Defense Sector
- Accelerate NEO's Direct Engagement with Korea's Defense & Military Ecosystem
- Advance Battery Technology Deployment in Commercial Drone/UAS via Joint Task Force (JTF)
- Strong Inroads Forged with Korean Military, Government & Defense Stakeholders

TORONTO, Dec. 23, 2025 NEO Battery Materials Ltd. ("NEO" or the "Company") (TSXV: NBM) (OTC: NBMFF), a low-cost, silicon-enhanced battery developer that enables longer-running, rapid-charging batteries for drones, robotics, and electronics, is pleased to enter into a Memorandum of Understanding (MOU) with the Korea Institute for Defense Industry ("KOIDI"), a Ministry of National Defense-approved organization dedicated to advancing South Korea's defense sector and capabilities.

The MOU establishes formal partnership to accelerate NEO's engagement with South Korea's defense industry ecosystem, including entities in industry, military, academia, research institutions, and the government. This collaboration is another milestone toward NEO's silicon-enhanced batteries being used in defense and unmanned system (UAS) technologies for the Korean military and industry.

To launch cooperation, NEO and KOIDI will create a Joint Task Force (JTF) focused on defense drone and UAS applications. The JTF will coordinate activities for military and government intelligence collection, including technical evaluation of NEO's battery technologies to advance deployment in live, commercial drones and UAS.

"Our partnership with KOIDI will lead to an expedited entry point into South Korea's defense industry stakeholders," commented Mr. Spencer Huh, President & CEO of NEO. "Along with our Strategic Defense Advisors, the Company has forged strong inroads into Korea's military, government, and defense sector. By understanding requirements for advanced battery technologies, the NEO-KOIDI Joint Task Force will align our battery development efforts with real-world operational needs in defense drones and UAS."

Both parties will cooperate on defense R&D, technical education, and government-industry initiatives. This framework positions NEO to engage directly with a nationally recognized defense industry organization and gain visibility into performance needs relevant to South Korean defense and security programs.

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/.

On Behalf of the Board of Directors
Spencer Huh
Director, President, and CEO

This news release includes certain forward-looking statements as well as management's objectives,

strategies, beliefs and intentions. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified notably by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". 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 battery material, electrode, and cell technologies that have not yet been tested or proven on commercial scale; the risks associated with battery-related manufacturing process scale-up, including maintaining consistent material, component, and cell quality, production yields, and process reproducibility at a pilot, semi-commercial, or commercial scale; the risks associated with compatibility of existing battery chemistries, formulations, components, or designs; unforeseen risks associated with entering into and maintaining collaborations, joint ventures, partnerships, or commercial contracts with battery cell manufacturers, original equipment manufacturers, and various companies in the global battery and downstream end-user supply chain; the risks associated with the failure to develop and produce commercially viable all battery-related products or that technical goals may not be achieved within expected timelines or budgets under a joint development or collaboration; the risks associated with the Company's technologies and products not meeting performance requirements or customer specifications; the risks that prototype and pilot-scale products do not translate into commercial orders; the risk associated with battery components and cell purchase orders and offtake supply that may not be fulfilled in full, on time, or at all, as actual revenue realization depends on delivery schedules, achievement of technical milestones, and customer acceptance and validation; counterparty risk upon delivery of prototype and commercial products; the risks associated with constructing, completing, securing, and financing pilot, semi-commercial, and commercial battery materials, components, and cell manufacturing facilities including the Canadian and South Korean facilities; the risks associated with potential delays or increased costs with site preparation, equipment procurement and installation, and facility commissioning; the risks associated with integrating silicon anode material production, electrode manufacturing, and cell assembly within a single operational cluster; 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, contracts and sales, and financing; access to adequate infrastructure and resources to support battery materials, components, and cell 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 and end-users' demand and adoption of the Company's silicon anode technology and battery products; 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, raw material, equipment, and relevant cost 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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