

Letter to the Shareholders of Solus Advanced Materials

Dear Valued Shareholders,

I hope this message finds you well. My name is Keun-Man Kwak, and I serve as the Chief Executive Officer of Solus Advanced Materials.

I would like to express my deepest gratitude to our shareholders for your continued trust and support for Solus Advanced Materials.

It is thanks to your confidence and encouragement that we have been able to stay the course, even amid the challenging market conditions of recent years.

As this is my first letter to you as Chief Executive Officer, I would like to take this opportunity to share with you the company's current status and our plans for the future.

Solus Advanced Materials is currently engaged in the battery copper foil, copper foil, and OLED businesses. As announced in July, we are in the process of divesting our copper foil business. Our goal is to complete the sale within this year and strategically channel the resulting capital into the battery copper foil business, which holds significantly greater long-term growth potential. This decision is not a response to short-term market fluctuations, but a deliberate reallocation of our capabilities and resources toward the company's core area of focus, with the aim of enhancing long-term corporate value.

Our battery copper foil business began in Hungary through a greenfield investment, establishing entirely new facilities from the ground up. Starting without any existing infrastructure, we faced numerous challenges, from site selection and construction of production facilities to environmental compliance, legal and administrative approvals, process certification, and production stabilization. Despite these difficulties, we have successfully expanded from our first plant to a second, significantly improving productivity and yield, and in doing so, we have further strengthened the foundation of our manufacturing competitiveness.

During this process, our Luxembourg-based subsidiary, Circuit Foil Luxembourg (CFL), transferred its advanced battery copper foil manufacturing technology to us, enabling the Hungarian plant to quickly establish world-class technical capability and quality standards. After successfully meeting Europe’s stringent regulatory procedures and high technical requirements, we have become the only company in Europe capable of producing and supplying battery copper foil locally. This achievement represents more than the establishment of a production base; it is a significant strategic milestone that has reshaped the stability of the European electric vehicle value chain.

The Hungarian production base, established to serve the European electric vehicle market, has already secured its position as a “leading player in Europe.” In addition, our Canadian subsidiary is poised to become a “major force in the North American,” targeting the North American EV market. By laying the groundwork to expand supply to North America starting in 2027, we plan to complete a global “triangle” production and sales network spanning Europe, North America, and Asia.

Solus Advanced Materials has now established a solid foothold in the global market and stands at the threshold of its next stage of growth.

■ **Expansion of Customer Base and Global Market Reach**

We have made remarkable progress in diversifying our customer base, moving closer to completing a well-balanced global customer portfolio.

Since the battery copper foil business began its first supply in 2021, we have maintained partnerships with four customers through last year. This year alone, we have signed supply agreements with three new customers, and with one additional contract expected to be finalized within the year, our customer base will expand to a total of eight. Both existing and new clients are among the global top ten battery cell and OEM companies. The doubling of our customer base from four to eight within just one year is not merely a matter of numbers; it reflects the global market’s recognition of our technological excellence and reliability. This is clear evidence that our technological capabilities and credibility are being acknowledged by the industry. In particular, initial shipments to some of the new customers are set to begin in December, marking the start of a visible expansion in sales.

■ Strengthening Local Collaboration and Next-Generation Technology Development

We are continuously pursuing strategies to enhance our R&D capabilities and patent portfolio for the future.

Amid the rapid changes in downstream industries, we are responding with agility by increasing R&D investments, expanding patent filings, and advancing next-generation battery copper foil technologies to become an even stronger company. Beyond our existing manufacturing competitiveness, we are achieving technological leadership through the development of ultra-thin, high-strength, and eco-friendly battery copper foil. In Hungary and Canada, we are strengthening collaboration with governments and academic institutions while jointly developing next-generation battery copper foil products with key players in the EV ecosystem.

This is not a simple research collaboration but a practical joint development initiative aimed at mass production — a strategic effort to secure leadership in next-generation battery technologies. Recently, based on our advanced battery copper foil technology, we became the only company in Europe to receive approval for high-strength, high-end products. Moving forward, we will continue to expand and strengthen Solus Advanced Materials' technological ecosystem through close collaboration with industry, academia, and government partners in each region.

■ A Just Fight to Protect Our Technology and Trust

We hold legitimate technological competitiveness and customer trust as our highest values, and we will do our utmost to prove the invalidity of the opposing party's patents.

Together with all our employees, I am fully committed to securing victory in the ongoing patent litigations in the United States, Europe, and Korea. Through the technological expertise of our long-established European subsidiary, Circuit Foil Luxembourg (CFL), we developed copper foil for batteries in the 1990s, well before the opposing party entered the battery copper foil market. We have a clear record of prior sales and numerous earlier products already in existence. We possess strong evidence proving the invalidity of the opposing party's patents and will present it in court. We will make every effort to demonstrate our technological capabilities and rightful ownership in international courts, thereby upholding the integrity of fair technological competition.

■ Sustainable Growth and Enhancement of Corporate Value

We will grow beyond a technology company to become a sustainable global materials enterprise.

We are strengthening our transparent, ESG-based management system while improving energy efficiency and adopting carbon-reducing processes throughout the entire production cycle. Through these efforts, we are moving forward as a “company that grows in harmony with the environment.” In June, we were included in the Korea Exchange’s Value-Up Index. Building on this momentum, we will continue to grow as a company that consistently creates sustainable, ESG-driven value, thereby enhancing long-term shareholder value.

Solus Advanced Materials will move forward with the spirit of *Punglimhwaksan* (“Wind, Forest, Fire, and Mountain”).

We will act swiftly like the wind, prepare calmly like the forest, challenge passionately like fire, and stand firm like a mountain. Even amid change and crises, we will seize opportunities to grow into a sustainable global materials company. Together with our shareholders, we will enhance corporate value and, through continued shareholder returns based on that growth, become a company worthy of lasting trust.

Dear esteemed shareholders,

We will never take your trust and expectations lightly, and we will continue to prepare today so that our efforts lead to tomorrow’s growth. As our corporate value rises, we will ensure that the results are returned to you, our shareholders, in even greater measure. Solus Advanced Materials will remain a “Going-up Company,” continuously ascending and walking the path of growth together with our shareholders.

Thank you.

Keun-Man Kwak

Chief Executive Officer

A handwritten signature in black ink that reads "Keun Kwak". The signature is written in a cursive, slightly slanted style.