

Design the future, Spark the growth!

With technology power to create customers' values,
We will connect the futuristic advanced materials and innovative solutions to the
human lives.

IR letter

2023_Vol.2

IR Message

Hello,

This is the IR/PR team of Solus Advanced Materials. We would like to express our sincere gratitude for your endless support for, and interest in our company despite this hot weather.

Since the last IR letter, there have been many changes in Solus Advanced Materials. First of all, the bio business sector sellout that had been pursued since earlier this year was officially terminated in July, thus our business area is now finalized as battery copper foil, copper foil, and electro-materials. Thus, enabling us to make another leap toward the future as a pioneer in the material market suitable for the futuristic advanced industrial development.

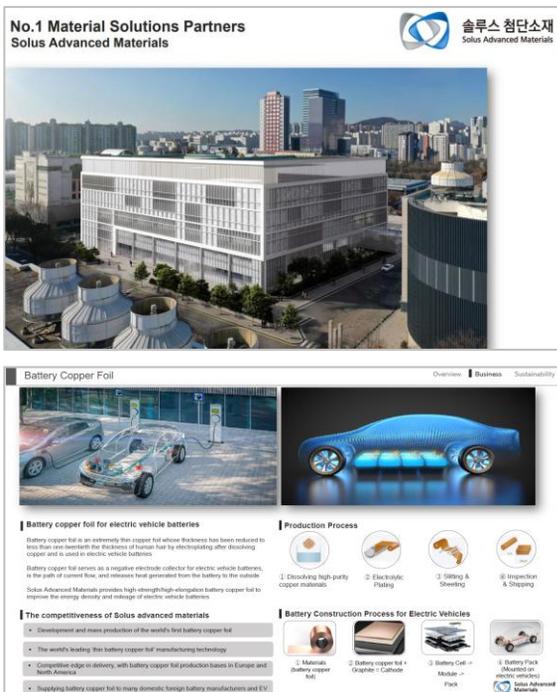
In addition, the board of director's meeting held on July 26th decided to expand the production ability of Canada PH1 by 34% compared to the existing plan for battery copper foils from an annual 18K tons to 25K tons. Moreover, we will also expand the scope of factory automation, thus trying to maximize the productivity and profitability. Through such expansion of the Canadian factory PH1, we will be able to quickly respond to the increasing demands for battery copper foils in North America, and maintain leadership in the market, thus making sure we can meet the expectations of our investors.

In this IR letter, we would like to introduce our investors to the key material of the electro-materials business, HBL(aETL) in an intuitive way. The material is an integration of excellent technological power of the electro-materials business division, and it has been the main driving force for the growth of the Solus electro-materials business division, thus we would like you to take a deep interest in this matter.

Please take care of your health and continue to show an interest in the development of Solus Advanced Materials.

Thank you

Company Information Brochure Renewal



The newly revised company information brochure

As the bio business is sold out, the business areas of Solus are now changed to battery copper foils, copper foils and electro-materials, thus the existing company information brochure is now changed in an intuitive way for understanding the business and industrial areas of Solus Advanced Materials.

In addition, compared to the existing company information brochure, visual aspects are improved much better, thus general investors who might feel that materials are ambiguous or difficult to understand can more easily assess Solus Advanced Materials and intuitively understand the relevant industrial areas.

The brochure contains basic information of Solus Advanced Materials such as company intro, business areas, global network info, sustainable growth and so on. And for more details, see the homepage of our company.

※ [Shortcut to company brochure:](#)
[Solus Advanced Materials Company Information Brochure](#)

Status of External IR Activities (June ~ July 2023)

☰ Quarterly Earnings Presentations

('23 2Q Earnings Report_2023.07.26) Solus Advanced Materials' IR/PR team announces a quarterly business record and on July 26th, we held a non-face-to-face online conference to present the 2Q business record for 2023.

☰ NDR / Conference / Corporate Day

We are participating in various IR events such as NDR, Conferences, Corporate Day, etc. which are hosted by domestic and overseas stock trading companies in an effort to aggressively communicate about hot issues such as company management, investor's concerns and so on in various forms such as one to one meetings with investors and group meetings, etc. From now on, we will continue to aggressively communicate with our customers in various ways.

[Participation in major IR activities]

Domestic IR

Shinhan Securities Battery Corporate day (6/7)

SK Securities NDR (7/27~28)

Overseas IR

[HK] UBS Future-Now APAC Conference: TMT to EV; tomorrow's trends (6/12~13)



Major Press Releases (June ~ July 2023)

[Solus Advanced Materials' 2Q revenue reaches 101.1 billion KRW...Second half battery foil production quantity to be expanded \(2023.07.26\)](#)

- Hungary factory 2 about to start mass production, high-end copper foil finds new customers.
- Canadian factory 1 increases capacity and North American demands to be met with aggressive investment expansions and so on.

※ For more about other official press release from Solus Advanced Materials, see the homepage ([Media Center>News](#)).

Analyst Report (June ~ July 2023)

Expanded coverage by security companies in 2023

Domestic and overseas companies that have shown an interest in Solus Advanced Materials through issuing a company analysis report have increased from 10 companies at the end of last year to now 13 companies due to the additions of security companies such as SK Securities, DS Securities and DB Finance Investment at the end of May. The following is the company analysis report status of Solus Advanced Materials issued by domestic and overseas securities companies in June and July of this year.



Reports from Domestic Securities Companies

Daishin Securities

2Q record low, 3Q with anticipation for improvement (2023.07.06)

DB Finance Investment

Below expectation but expect surplus in 4Q 2023. (2023.07.27)

SK Securities

Worries about where the lowest point is (2023.07.27)

Shinhan Securities

First mover's pains (2023.07.27)

Eugene Securities

Poor battery foil business, delayed turn around to next year (2023.07.27)

Hanwha Securities

Must check the obvious improvement of the business first (2023.07.27)



Reports from Overseas Securities Companies

BofA Merrill Lynch

2Q miss; widened loss on high costs (2023.07.27)

Morgan Stanley

2Q23 OP Miss (2023.07.27)

Solus Business Story_Electro-Materials

Make OLED even brighter! Solus Advanced Materials' 'HBL(aETL)'

OLED (Organic Light Emitting Diodes) refers to a self emitting display composed of organic compounds. Under the slogan, 'Material tech innovation for an OLED display revolution', Solus Advanced Materials has been producing key materials of OLED to supply them to the major global panel makers. OLED is thin and light weight, and flexible for various implementation shapes, thus it is very widely used in increasingly more fields of application ranging from existing mobile/TV displays to others such as transparent displays, automobile displays, IT devices, AR/VR, and so on.

Particularly, as the key material to maximize the emission efficiency of OLED, 'HBL(aETL)' is the outcome of the excellent tech power and research abilities of Solus Advanced Materials, and it is exclusively supplied to domestic and overseas display companies, thus leading the display materials market.

In this IR letter, we will introduce you to our pride in the electronic materials business, HBL(aETL).



? What role does HBL(aETL) play in OLED?

HBL(aETL) is a material located between the light emission layer(EML) and the electronic transport layer(ETL of the OLED material structure (RGB Type). Its role is to prevent ETL. Due to this role, HBL is sometimes called the Hole Blocking Layer.

HBL plays this role of hole blocking to maximize the blue light emission efficiency which is the only color where fluorescent light is used among RGB without any energy losses. In particular, the higher the voltage gets, the more electrons and holes try to reach the opposite electrode, thus HBL plays the role of blocking them which is critical in controlling the maximal light efficiency during emission.

? Birth of HBL(aETL)

For excellent high efficiency of the blue fluorescent material, the market demanded a need for developing a special function layer between the EML and the ETL. Thus, to cope with them Solus Advanced Materials with excellent technological power aggressively tried to develop strong patented materials and finally acquired IP. After finally entering the HBL market, Solus Advanced Materials grew this as the main business.

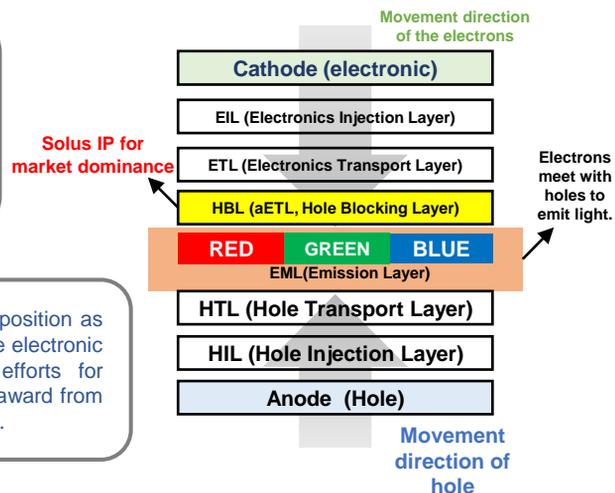
? Excellence of HBL(aETL)

Due to acquisition of IP, Solus Advanced Material secured its exclusive position as an HBL supplier in the global OLED market and played a critical role in the electronic materials business division with HBL. Due to the recognition of efforts for successfully improving the blue light emission efficiency, we received an award from the Ministry of Trade, Industry and Energy of the republic of Korea in 2015.

? Future of Solus Advanced Materials' Business

While leading the global market with various OLED materials developed through consistent R&D, based on HBL, we are planning to expand to ETL as well as to green phosphor emission, we established an offspring company, Solus Itech with an aim to improve the dominance on the OLED market and business diversification, as well as existing the light emission materials market as the main strength of the company. Thus, aggressively expanding the nonlight emission materials market. Solus Advanced Materials is currently implementing an R&D and mass production system for next generation TFE for mobile, as well as highly refractive fillers, etc.

In addition, just like the case of the electronic foil business division, we established a global manufacturing hub(Changsu China) for intimate responses to overseas customers, and since last November, we have been supplying HBL, etc. to local customers. From this point forward, through endless R&D and aggressively exploring the global markets, we will secure our position as the leading company of the next generation OLED material market.





Solus Advanced Materials Co., Ltd.
www.solusadvancedmaterials.com