

# Aleees' Product Development & Validation Instructions(202205)

## Instructions:

1. Since the product certification cycle of electric vehicle and energy storage batteries often takes 3-5 years, in order to increase the transparency of the progress on Company's product and customer development, the Company should promptly disclose the product certification status of its customers in compliance with the confidentiality agreement.
2. At present, Aleees plans to release the progress in product and customer certification to shareholders on the official website according to the following operating regulation in compliance with the confidentiality agreement:
  - 2-1. Regular updates are released every January and July. (If there is any silent period or force majeure applied by the regulations of government agencies or securities management agencies, the release will be postponed)
  - 2-2. When a customer enters Phase-3, or a customer enters Phase-4 of the certification process, the update will be released immediately.
3. In 2022, the release which should be made in January was postponed to May 16, 2022 due to silent period applied by the regulations of the securities regulatory agency.
4. This release explains the product certification status of all customers, which are divided into 4 phases in accordance with the Company's relevant standard operating procedures. Please refer to Table 1.
5. At present, Aleees has 41 customers, adding 24 customers compared with last year, with application covering energy storage, electric vehicle, and solid-state battery. Among them, 13 customers worked on both ESS and EV batteries, 8 worked on ESS batteries only, 14 worked on EV batteries only, and 6 focused on solid-state battery. Compared with last year, the number of customers in various fields has increased significantly, as shown in the table below. Please refer to Table 2, Table 3.
6. With LFP battery becoming the mainstream energy storage solution globally, Aleees continues to make new achievements in customer development, especially in the field of energy storage. The number of customers that enters the mass production stage doubles from 2 in last year to 4 customers in 2022, who's products are not going to be made by Aleees, but to be made by technology-transfer licensee authorized by Aleees. Aleees said that the global ESS market has clearly shifted toward LFP batteries as the dominate solution, and almost all the 2025 shipments from its international clients will

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be used for making ESS batteries.

7. Of the 17 clients that worked for product certification with Aleees in Aug. 2021, none of them withdrew this year. In the meantime, 13 new clients added from Europe, 6 from the U.S, and 5 from the other regions. Within the past few months, 5 clients pushed forward in the certification stage, including 2 from Europe, 1 from the U.S., 1 from Korea, and 1 from the other region.

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**Table 1**

Customer's production development schedule	Implementation of each phase	
	Implementation by Customer	Implementation by Aleees
Phase-1	•Single test with the sample volume less than 100kg	•Laboratory sample prototype/concept validation
Phase-2	•Single test with sample volume greater than 100kg	•Small-scale trial production
Phase-3	•Produce samples greater than 1000kg of consecutive 3 times	•Continuous trial production and supplier certification
Phase-4	•Formal acquisition	•Mass production

**Table 2**

Number of international clients under certification process, from 2021 to 2022:

Application In:	Aug. 2021	May 2022
ESS + EV	3	13
ESS only	9	8
EV only	4	14
Solid State Battery	1	6
Total	17	41

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Table 3

Area	Clients	2021/08 Application	2022/05 Application	2021/08 Cert. Stage	2022/05 Cert. Stage	No. of product type	Supply model (note 1)
Europe	IT001	ESS	ESS & EV	IV	IV	1	(Note1-1)
	FR001	ESS	ESS	III	IV	1	(Note1-4)
	NO001	ESS	ESS & EV	I	II	1	(Note1-1)
	UK002	ESS	ESS & EV	I	I	1	(Note1-4)
	UK001		ESS & EV		I	1	(Note1-1)
	SW001		EV		I	1	(Note1-4)
	GE001		ESS & EV		I	1	(Note1-4)
	SD001		EV		I	1	(Note1-4)
	GE002		ESS & EV		I	1	(Note1-4)
	SL001		EV		I	3	(Note1-4)
	SP001		Solid-State		I	1	(Note1-4)
	FR002		ESS & EV		I	1	(Note1-4)
	GE003		EV			1	(Note1-4)
	FR003		Solid-State		I	1	(Note1-4)
	UK003		EV		I	1	(Note1-4)
	RR004		EV		I	1	(Note1-4)
	FR005		Solid-State		I	1	(Note1-4)
US	US001	ESS & EV	ESS & EV	I	IV	2	(Note1-3)
	US002	EV	EV	I	I	1	(Note1-4)
	US003	EV	EV	I	I	2	(Note1-4)
	US004	ESS	ESS	I	I	1	(Note1-4)
	US005		EV		I	1	(Note1-4)
	US006		ESS		I	1	(Note1-4)
	US007		EV		I	1	(Note1-4)
	US008		ESS & EV		I	1	(Note1-4)
	US009		Solid-State		I	1	(Note1-4)
	US010		ESS		I	1	(Note1-4)
Japan	JP001	ESS	ESS	IV	IV	7	(Note1-3)
	JP002	EV	EV	IV	IV	1	(Note1-4)
	JP003	EV	EV	III	III	1	(Note1-3)

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	JP004	Solid-State	Solid-State	II	II	1	(Note1-4)
	JP005	ESS	ESS & EV	I	I	3	(Note1-4)
	JP006		Solid-State		I	1	(Note1-4)
South Korea	KR001	ESS & EV	ESS & EV	II	III	2	(Note1-2)
	KR002	ESS	ESS	I	I	1	(Note1-2)
South Asia	SA001	ESS	ESS	III	III	1	(Note1-2)
	SA002	ESS & EV	ESS & EV	III	III	1	(Note1-2)
	SA003		ESS & EV		III	1	(Note1-4)
	SA004		ESS		I	1	(Note1-4)
	SA005		EV		I	1	(Note1-4)
	SA006		EV		I	1	(Note1-4)

Note1: 1-1 、direct-licensing customer produce at its own 1-2 、produce by authorized third party supplier 1-3 、supply from the company' s self-made production 1-4 、not decide yet.