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National Stock Exchange of Australia
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Market Update

Aobo Environmental Technology Limited (NSX: AB9 or the Company) is pleased to provide an update on its business operation for 2021.

As was reported to the market in September, the Company's revenue has increased significantly over last year despite of unprecedented challenges associated with COVID-19. Global shipping is restricted and the freight cost is rising sharply. Supply of raw materials and computer chips is tight and prices are rising significantly. The continued travel bans have prevented attendance at sales conferences and slowed international business development. The Company has taken various countermeasures and is pleased to report the continued positive revenue trends as earlier reported.

The Company's air treatment business has achieved steady growth with its focus in the down-stream lithium-battery manufacturing industry. It recently signed a three-year Cooperation Framework Agreement with the world's largest lithium-battery manufacturer to supply dehumidifiers and NMP recovery units. Leveraged on its unique business model and its growing reputation to deliver in the lithium-battery manufacturing sector, the Company expects more orders in 2022 for its air treatment business.

The Company's energy storage business has developed rapidly, and the scale of product delivery has continued to grow. Product application scenarios include household, small to medium commercial, and recently the recreational vehicle market. The Company has established stable sales channels in Australia and UK, increased its sales significantly in Italy and Spain, and achieved commercial sales in South Africa and the Middle East.

The Company has been applying for UL certification for the USA and is communicating with potential distributors in that country. After UL certification is obtained, the Company will be able to sell directly to the U.S. market.

The Company is now supplying to large photovoltaic companies or solar integrators in the Chinese market.

The Company continues to invest in energy storage technology research and product development. It has developed household energy storage systems based on consumption habits in different markets and high voltage energy storage systems. It focuses on R&D in battery management system (BMS), energy management system (EMS) and the application of internet in energy management.

The Company has established a joint venture for the development of electrochemical energy storage technology. The Company has achieved valuable connections with the world's mainstream inverters. At present, its products are compatible with more than 20 different inverters brands.

To meet the rapid growth of customers' demand for energy storage products, the Company is carefully managing the pressure on its working capital through bank loans and equity financing.

With the gradual recovery of the economies in major countries such as Europe and USA, the continued government subsidies for household energy storage in Europe, Australia and other countries, the global household energy storage market will continue to grow rapidly in 2022.

Guided by China's strategic plans of "carbon neutralization in 2030" and "carbon peak in 2060", a series of favorable energy storage policies have been issued by relevant Chinese ministries and commissions in 2021, which will promote the rapid development of large-scale energy storage in China.

It is expected that the global energy storage market will maintain rapid growth in the next few years. The Company will seize the unprecedented market opportunities, focus on household energy storage in key markets such as Australia, Europe, the United States and Africa, participate in large-scale energy storage in China, further expand production capacity, strengthen R & D and product development, and promote the sustainable and healthy development of energy storage business.

A handwritten signature in black ink, appearing to read 'Andrew Smith', with a stylized, flowing script.

Andrew Smith
Chairman
Aobo Environmental Technology Limited