

Quarterly Industry Update

As of December 31, 2016

Industry: Energy Storage

Industry Summary

Cogent Valuation identified Energy Storage publicly traded companies, IPOs, and recent M&A transactions within the Energy Storage industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2015, the median 52-week share price return of the Energy Storage industry was -22.5%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple decreased from 12.7 to 11.3. Furthermore, the median price-to-earnings multiple decreased from 19.9 to 19.3 over the same period.

Comparable Public Company Key Statistics

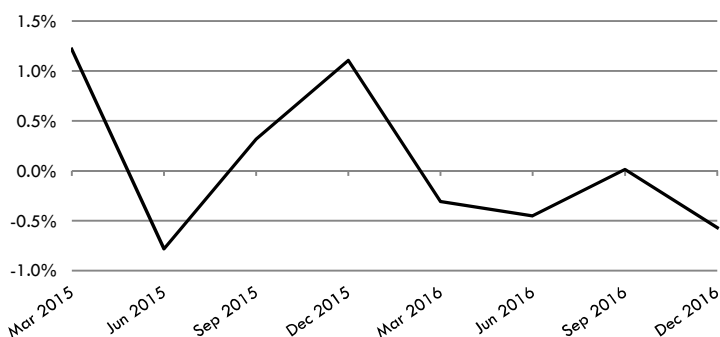
Median 52-Week Return	-22.5%	Median EV/Revenue Multiple	0.9x	Median Price/Earnings Multiple	19.3x
Median 3-Year CAGR Return	-3.2%	Median EV/EBITDA Multiple	11.3x	Median EV/Gross CF Multiple	17.2x

Comparable Public Company Market Price Returns As of December 31, 2016

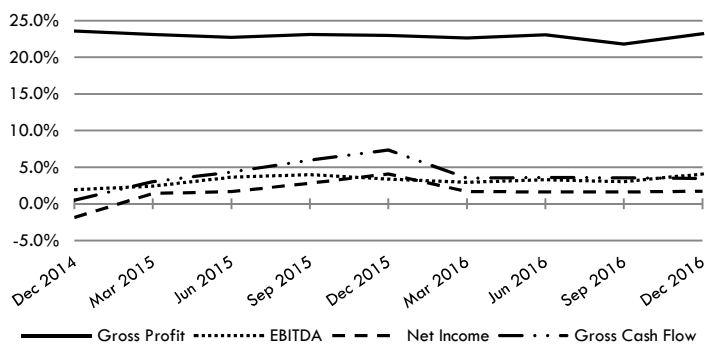
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
CBAK Energy Technology, Inc.	-49.9%	-37.5%	-49.9%	-12.8%	-14.1%	-14.9%	51.9%	-16.7%	39.6%	-49.5%	-67.4%
EnerSys	39.6%	12.9%	39.6%	12.5%	3.7%	24.6%	-9.4%	-11.9%	86.3%	44.9%	-19.1%
Highpower International, Inc.	-21.7%	-18.7%	-21.7%	-31.2%	-2.8%	19.1%	-39.6%	94.1%	148.6%	5.1%	-70.2%
P10 Industries, Inc.	-84.1%	-25.6%	-84.1%	-66.5%	-60.6%	-42.6%	-29.3%	-45.4%	0.6%	1.5%	-73.2%
Ultralife Corporation	-23.4%	20.4%	-23.4%	25.8%	11.7%	4.2%	106.4%	-11.8%	9.6%	-19.4%	-39.2%
Universal Power Group, Inc.	-17.0%	-36.5%	-17.0%	-21.9%	-3.6%	-8.7%	-26.5%	47.1%	-12.3%	-19.3%	-48.0%
Median of Industry Public Companies	-22.5%	-22.1%	-22.5%	-17.3%	-3.2%	-2.2%	-17.9%	-11.9%	24.6%	-8.9%	-57.7%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Energy Storage Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Energy Storage Industry

Date:	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
EV/Revenues Multiple	0.7x	0.8x	0.8x	0.8x	0.9x	0.7x	1.0x	0.8x	0.9x
EV/EBITDA Multiple	12.7x	11.0x	11.7x	10.7x	13.1x	11.3x	11.4x	12.1x	11.3x
Price/Earnings Multiple	19.9x	17.1x	16.3x	11.3x	12.7x	13.8x	15.2x	22.4x	19.3x
EV/Gross Cash Flows Multiple	17.5x	14.1x	14.0x	11.3x	13.3x	13.0x	15.1x	15.4x	17.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2017 Cogent Valuation. All Rights Reserved.

Quarterly Industry Update

As of December 31, 2016

Industry: Energy Storage



Industry Initial Public Offerings (dollars in millions, except share prices)

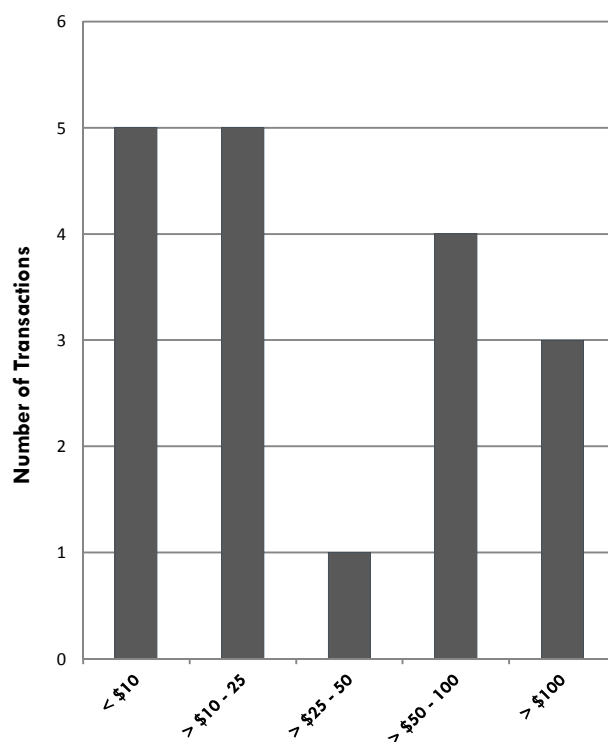
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/19/2008	Highpower International, Inc.	\$3.25	0.5	\$1.7	\$51.9	\$15.7	\$79.6	\$6.4	\$2.9	\$7.0
6/27/2007	Polypore International Inc.	\$19.00	15.0	\$285.0	\$1,410.5	\$1,057.1	\$494.2	\$141.6	(\$26.1)	\$181.6
12/20/2006	Universal Power Group Inc.	\$7.00	3.0	\$21.0	\$32.0	\$11.7	\$89.3	\$3.3	\$1.4	\$3.4
3/23/2005	EnSync, Inc.	\$0.39	12.0	\$4.6	\$9.1	\$2.9	\$0.1	(\$1.9)	(\$1.9)	(\$1.8)
10/26/2000	Hydrogenics Corporation	\$12.00	7.0	\$84.0	\$6.8	\$4.1	N/A	N/A	N/A	N/A
8/7/2000	Active Power Inc.	\$17.00	8.0	\$136.0	\$23.3	\$0.0	\$3.4	(\$13.2)	(\$16.0)	(\$12.5)
9/30/1997	Power-One Inc.	\$14.00	5.0	\$70.0	\$76.9	\$40.9	\$73.6	\$13.1	\$3.0	\$15.4
Median of All IPOs		nm	nm	\$70.0	\$32.0	\$11.7	\$76.6	\$4.8	(\$0.3)	\$5.2

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
12/15/2016	Prudent Energy Inc.	VanSpar Mining Inc.	\$3.3	100%
8/15/2016	Saft Groupe S.A.	TOTAL S.A.	\$1,368.8	100%
8/8/2016	XPAL Power, Inc.	XPAL Technology, Inc.	\$6.5	80%
6/8/2016	Lepidico Limited	Platypus Minerals Ltd	\$11.2	100%
6/1/2016	Creasefield Ltd	Solid State plc	\$2.2	100%
4/8/2016	T&T Energetechno Co., Ltd.	Shenzhen Selen Science	\$86.4	100%
6/30/2015	Leclanché SA	Oakridge Global Energy	\$52.6	50%
5/5/2015	Magna Steyr Battery	Samsung SDI Co. Ltd.	\$120.0	100%
12/30/2014	SK Continental E-motion	SK Innovation Co., Ltd.	\$14.9	100%
11/24/2014	Ener-tek International, Inc.	OM Group Inc.	\$24.0	100%
5/16/2014	A123 Energy Solutions	NEC Corporation	\$100.0	100%
12/27/2013	Shenzhen Eyang Energy	N/A	\$1.7	100%
11/1/2013	Quallion LLC	EnerSys	\$30.0	100%
9/30/2013	Eltek Electric Vehicles	Valeo SA	\$20.3	100%
8/23/2013	Millennium Power Solutions	Blue Earth Inc.	\$15.2	100%
1/1/2013	Johnson Controls	Saft Groupe S.A.	\$145.0	100%
10/19/2012	Axeon Holdings	Johnson Matthey	\$65.1	100%
12/31/2011	Shenzhen Nalon Battery	Scud (Fujian) Electronics	\$3.3	70%
Median of the 18 M&A Transaction Targets			\$22.2	100%

Size of the 18 M&A Transactions (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2017 Cogent Valuation. All Rights Reserved.