

Q2: Quarterly Industry Update

AS OF June 30, 2019



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 June 30, 2018, the median 52-week share price return of the Energy Storage industry was -6.0%. Between June 30, 2017 and June 30, 2019, the median EV/EBITDA multiple increased from 10.0 to 13.5. Furthermore, the median price-to-earnings multiple increased from 18.9 to 26.2 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 4.4% and 10.6%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-6%

Median 3-Year CAGR
Return

-2.5%

Median EV/Revenue
Multiple

1.4x

Median EV/EBITDA
Multiple

13.5x

Median Price/Earnings
Multiple

26.2x

Median EV/Gross CF
Multiple

17.6x

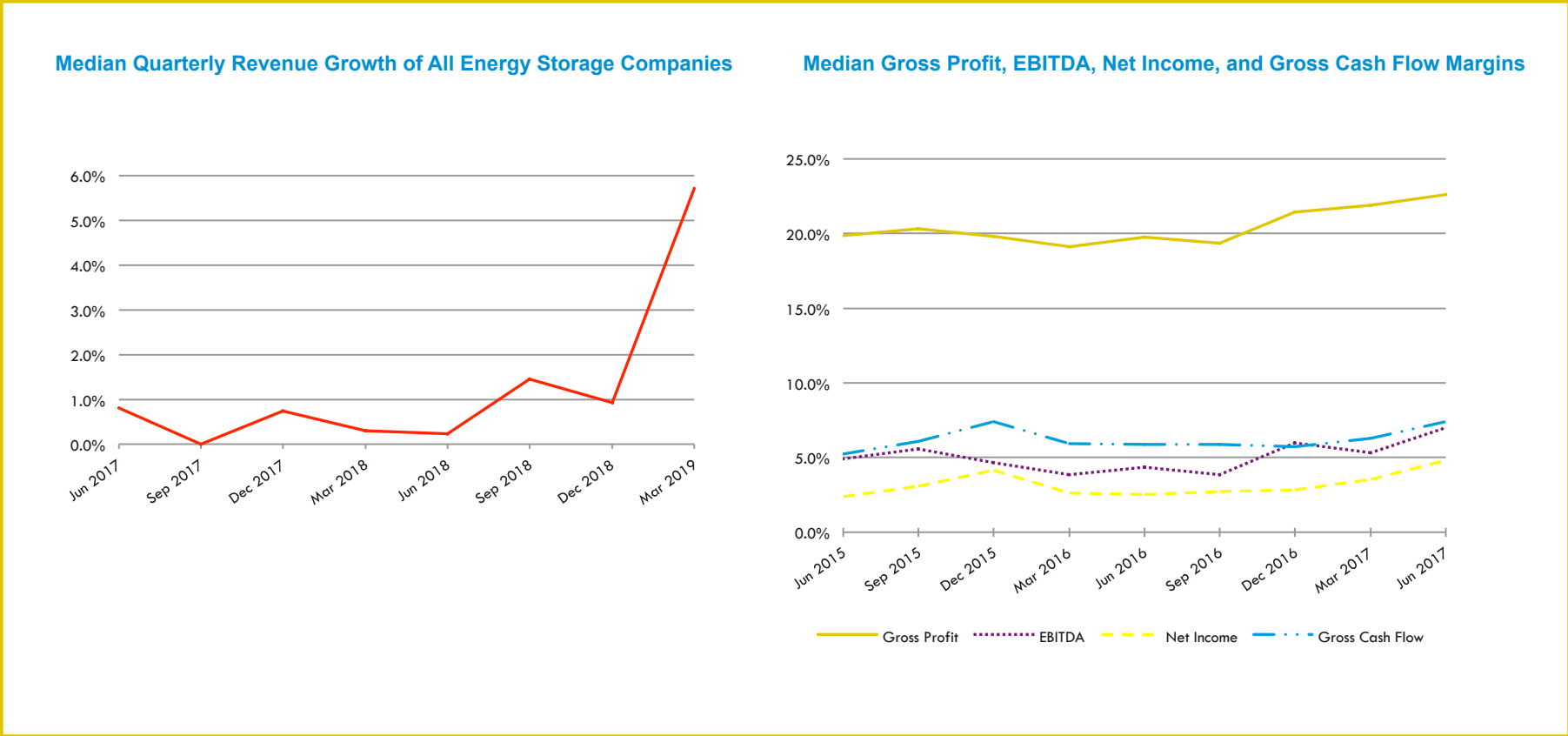
Comparable Public Company Market Price Returns as of June 30, 2019

| | 2019 | 3 Month | 1 Year | 2 Year | 3 Year | 2018 | 2017 | 2016 |
|--|-------|---------|--------|--------|--------|--------|--------|--------|
| CBAK Energy Technology, Inc. | -8.5% | -8.5% | 0.4% | -40.5% | -34.3% | 4.8% | -49.9% | 51.9% |
| EnerSys | -0.4% | -0.4% | -12.1% | 12.0% | 2.0% | -10.8% | 39.6% | -9.4% |
| Highpower International, Inc. | 1.4% | 1.4% | -5.1% | N/A | N/A | 57.4% | -21.7% | -39.6% |
| Ultralife Corporation | 52.7% | 52.7% | 83.5% | 27.1% | -7.0% | 32.3% | -23.4% | 106.4% |
| Universal Power Group, Inc. | 1.9% | 1.9% | -1.8% | N/A | N/A | -11.5% | -17.0% | -26.5% |
| Median of Industry Public Companies | 1.4% | 1.4% | -1.8% | 0.7% | -7.3% | 4.8% | -21.7% | -9.4% |

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years



Public Company Median Multiples by Quarter

| | 6/30/19 | 3/31/19 | 12/31/18 | 9/30/18 | 6/30/18 | 3/31/18 | 12/31/17 | 9/30/17 |
|-------------------------------------|---------|---------|----------|---------|---------|---------|----------|---------|
| EV/Revenues Multiple | 1.4x | 1.7x | 1.3x | 1.3x | 1.0x | 0.9x | 0.8x | 0.6x |
| EV/EBITDA Multiple | 13.5x | 15.2x | 10.5x | 9.3x | 7.6x | 8.9x | 8.4x | 9.4x |
| Price/Earnings Multiple | 26.2x | 28.7x | 29.5x | 18.7x | 19.6x | 21.4x | 21.6x | 22.7x |
| EV/Gross Cash Flows Multiple | 17.6x | 18.6x | 19.3x | 11.9x | 10.4x | 10.3x | 11.4x | 10.6x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings – Energy Storage (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 |
|------------|--|-------------|----------------|---------------|---------------|---------------|---------------|--------------|----------------|----------------|
| 5/18/19 | Shanghai Putailai New Energy Technology Co., | \$12.49 | 0.5 | \$1.7 | \$51.9 | \$15.7 | \$318.9 | \$6.4 | \$2.9 | \$7.0 |
| 4/5/19 | Varta AG | \$20.60 | 15.0 | \$285.0 | \$1,410.5 | \$1,057.1 | \$279.7 | \$142.0 | (\$26.1) | \$182.0 |
| 12/10/18 | Voltabox AG | \$28.34 | 3.0 | \$21.0 | \$32.0 | \$11.7 | \$35.4 | \$3.3 | \$1.4 | \$3.4 |
| 10/5/18 | Goldstar Power Limited | \$0.38 | 12.0 | \$4.6 | \$8.1 | \$4.2 | \$8.5 | (\$3.5) | (\$4.0) | (\$3.3) |
| 10/18/17 | Shin Heung Energy & Electronics Co., Ltd. | \$14.14 | 7.0 | \$84.0 | \$6.7 | \$4.1 | \$94.1 | N/A | N/A | N/A |
| 10/10/17 | mPLUS Corp. | \$15.90 | 8.0 | \$136.0 | \$23.3 | \$0.0 | \$43.3 | (\$15.4) | (\$18.8) | (\$14.7) |
| 10/5/17 | Highpower International, Inc. | \$3.25 | 5.0 | \$70.0 | \$78.3 | \$39.5 | \$79.6 | \$15.7 | \$5.3 | \$18.0 |
| | Median of all IPOs | nm | nm | \$70.0 | \$32.0 | \$11.7 | \$79.6 | \$4.8 | (\$1.3) | \$5.2 |

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

| Transaction Date | Target | Acquirer | Transaction Size | % Bought |
|------------------|--|--|------------------|----------|
| 2/21/19 | Kokam Co., Ltd. | SolarEdge Technologies, Inc. | \$111.4 | 100% |
| 1/3/19 | Fuelcon AG | HORIBA Automotive Test Systems GmbH | \$18.1 | 100% |
| 11/22/18 | ACCURATE Smart Battery Solutions GmbH | Voltabox AG | \$5.9 | 100% |
| 9/1/18 | Liyang Yuequan Electric Energy Co. | Zhejiang Youchuang Venture Capital Co., Ltd. | \$84.6 | 51% |
| 2/21/18 | Pure Vanadium Corp. | Stina Resources Ltd. (nka: CellCube Energy Storage Systems Inc.) | \$4.4 | 100% |
| 1/3/18 | IABÖ Global Holding | J2L | \$45.1 | 100% |
| 9/20/18 | Jinhua An Kao Power | Zhejiang Kandi Vehicles Co. | \$21.8 | 100% |
| 9/19/18 | Wuhan Fanso Technology | EVE Energy Co., Ltd | \$167.0 | 100% |
| 9/12/18 | Tohoku Murata Manufacturing | Murata Manufacturing | \$19.5 | 100% |
| 11/22/17 | Go Power! Electric Inc. | Valterra Products, LLC | \$46.1 | 45% |
| 9/1/17 | Magna Steyr Battery | Samsung SDI Co. Ltd. | \$120.0 | 100% |

■ USA
 ■ International

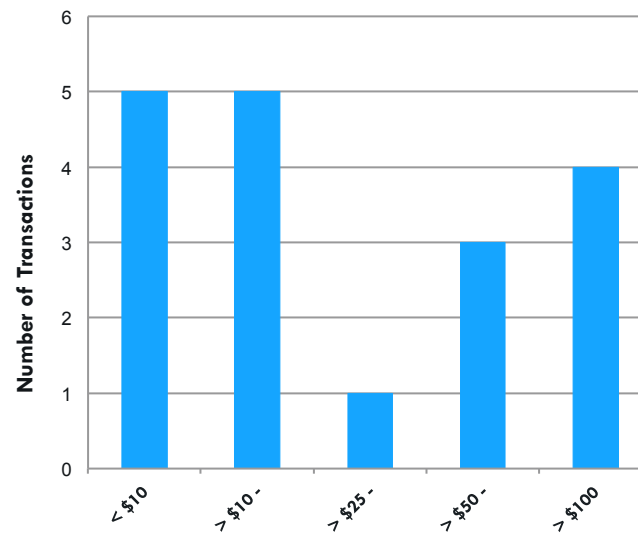
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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| Transaction Date | Target | Acquirer | Transaction Size | % Bought |
|---------------------------------------|------------------------------|-------------------------|------------------|----------|
| 4/8/16 | SK Continental E-motion | SK Innovation Co., Ltd. | \$14.9 | 100% |
| 6/30/15 | Ener-tek International, Inc. | OM Group Inc. | \$24.0 | 100% |
| 5/5/15 | A123 Energy Solutions | NEC Corporation | \$100.0 | 100% |
| 12/30/14 | Shenzhen Eyang Energy | N/A | \$1.7 | 100% |
| 11/24/14 | Quallion LLC | EnerSys | \$30.0 | 100% |
| 9/30/13 | Eltek Electric Vehicles | Valeo SA | \$20.3 | 100% |
| 8/23/13 | Millennium Power Solutions | Blue Earth Inc. | \$15.2 | 100% |
| Median of the M&A Transaction Targets | | | \$14.9 | 100% |

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2019



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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): 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.

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