

Q2: Quarterly Industry Update

AS OF June 30, 2021



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, 2020, the median 52-week share price return of the Energy Storage industry was 23.9%. Between June 30, 2020 and June 30, 2021, the median EV/EBITDA multiple increased from 9.4 to 18.1. Furthermore, the median price-to-earnings multiple increased from 22.7 to 37.4 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.2% and 11.3%, respectively.

Public Company Key Statistics

Median 52-Week
Return

23.9%

Median 3-Year CAGR
Return

14.5%

Median EV/Revenue
Multiple

2x

Median EV/EBITDA
Multiple

18.1x

Median Price/Earnings
Multiple

37.4x

Median EV/Gross CF
Multiple

22.4x

Comparable Public Company Market Price Returns as of June 30, 2021

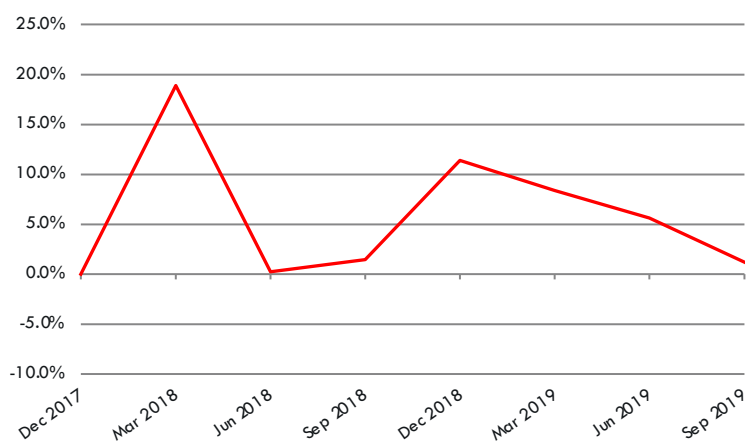
	2021	3 Month	1 Year	2 Year	3 Year	2020	2019	2018
EnerSys	25.1%	25.1%	0.4%	-40.5%	-34.3%	4.8%	-49.9%	51.9%
Goldstar Power Limited	-32.3%	-32.3%	-12.1%	12.0%	2.0%	-10.8%	39.6%	-9.4%
Highpower International, Inc.	-27.0%	-27.0%	-5.1%	N/A	N/A	57.4%	-21.7%	-39.6%
mPLUS Corp.	6.0%	6.0%	83.5%	27.1%	-7.0%	32.3%	-23.4%	106.4%
Shanghai Putailai New Energy Technology Co., Ltd.	-17.6%	-17.6%	-1.8%	N/A	N/A	-11.5%	-17.0%	-26.5%
Median of Industry Public Companies	25.1%	25.1%	-1.8%	0.7%	-7.3%	4.8%	-21.7%	-9.4%

Multiple year periods are calculated as the average annual return.

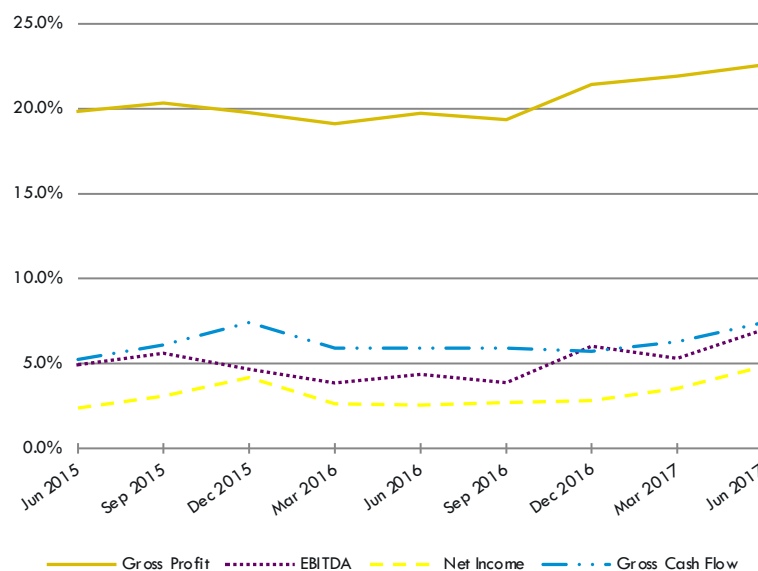
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Energy Storage Companies



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



Public Company Median Multiples by Quarter

	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19
EV/Revenues Multiple	2.0x	1.6x	1.7x	1.3x	1.2x	0.8x	0.8x	0.7x
EV/EBITDA Multiple	18.1x	14.3x	15.5x	10.0x	9.3x	8.6x	8.9x	7.3x
Price/Earnings Multiple	37.4x	30.2x	28.7x	29.5x	18.3x	19.8x	20.0x	20.0x
EV/Gross Cash Flows Multiple	22.4x	20.6x	21.0x	21.2x	11.9x	10.6x	9.9x	11.3x

■ 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
6/11/21	NIO Inc.	\$6.26	0.5	\$1.7	\$51.9	\$15.7	\$318.9	\$6.4	\$2.9	\$7.0
11/27/20	Akasol AG	\$56.23	15.0	\$285.0	\$1,410.5	\$1,057.1	\$279.7	\$142.0	(\$26.1)	\$182.0
2/8/20	Contemporary Amperex Technology Co., Limited	\$3.93	3.0	\$21.0	\$32.0	\$11.7	\$35.4	\$3.3	\$1.4	\$3.4
12/26/19	Shanghai Putailai New Energy Technology Co.	\$2.49	12.0	\$4.6	\$8.1	\$4.2	\$8.5	(\$3.5)	(\$4.0)	(\$3.3)
10/18/18	Varta AG	\$20.60	7.0	\$84.0	\$6.7	\$4.1	\$94.1	N/A	N/A	N/A
10/10/17	Voltabox AG	\$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

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/30/21	Fuelcon AG	HORIBA Automotive Test Systems GmbH	\$18.1	100%
3/20/21	ACCURATE Smart Battery Solutions GmbH	Voltabox AG	\$5.9	100%
12/19/20	Zhejiang Youchuang Solar Technology Co., Ltd.	Zhejiang Youchuang Venture Capital Co., Ltd.	\$84.6	100%
11/12/19	Liyang Yuequan Electric Energy Co.	Shanghai Putailai New Energy Technology Co., Ltd.	\$39.5	51%
7/5/19	Pure Vanadium Corp.	Stina Resources Ltd. (nka: CellCube Energy Storage Systems Inc.)	\$0.1	100%
1/3/18	IABÖ Global Holding	J2L	\$4.4	100%
9/20/18	Jinhua An Kao Power	Zhejiang Kandi Vehicles Co.	\$21.8	100%
9/19/18	Wuhan Fanzo 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

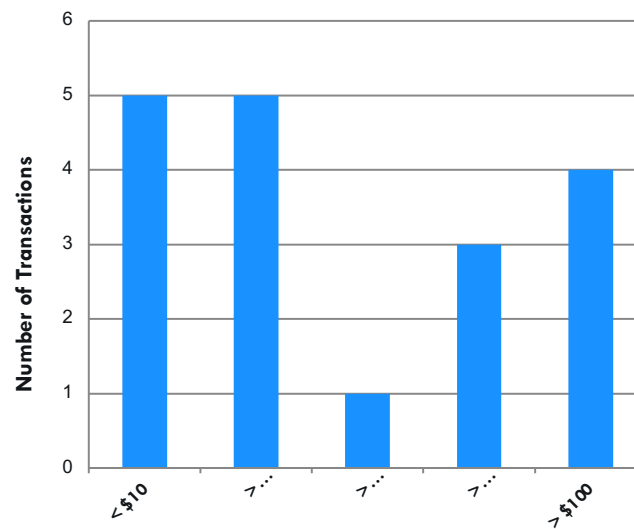
(Continued on next page)

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

(Continued from previous page)

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 18 M&A Transaction Targets			\$14.9	100%

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



COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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 or kam@cogentvaluation.com** for additional information or questions in connection with this research report.

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.

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.