AUGWIND

ENERGY STORAGE SOLUTIONS

Investor Presentation, April 3rd. 2022

AIR | WATER | EARTH

harnessing the elements
for a CLEAN FUTURE.

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2021 MARKET SUMMARY

- Energy storage stronger than ever, 2021 was a record year
- Increasing demand for long-duration energy storage (LDES)
- COP26 and overall climate action
- Strong financial commitment to ESG related activity
- > $1.5B capital raised by energy storage technology companies
- Global supply chain crisis, supply instability, increase in costs & inflation

> This is the decisive decade… we must make decisions that will avoid the worst consequences of a climate crisis
>
> PRESIDENT BIDEN, APRIL 22, 2021

ENERGY STORAGE DEPLOYMENTS REACH NEW RECORDS IN 2021

UTILITY DIVE Deep Dive Opinion Podcasts Library Events Topics

Global energy storage set to nearly triple in 2021: Wood Mackenzie forecast

Published Oct. 8, 2021

A Verisk Business

Wood Mackenzie Who We Are What We Do Industries We Serve Market Insights

NEWS RELEASE

U.S. storage market sets new installation record in Q3 2021

MWh deployments rise but supply chain challenges remain

09 December 2021

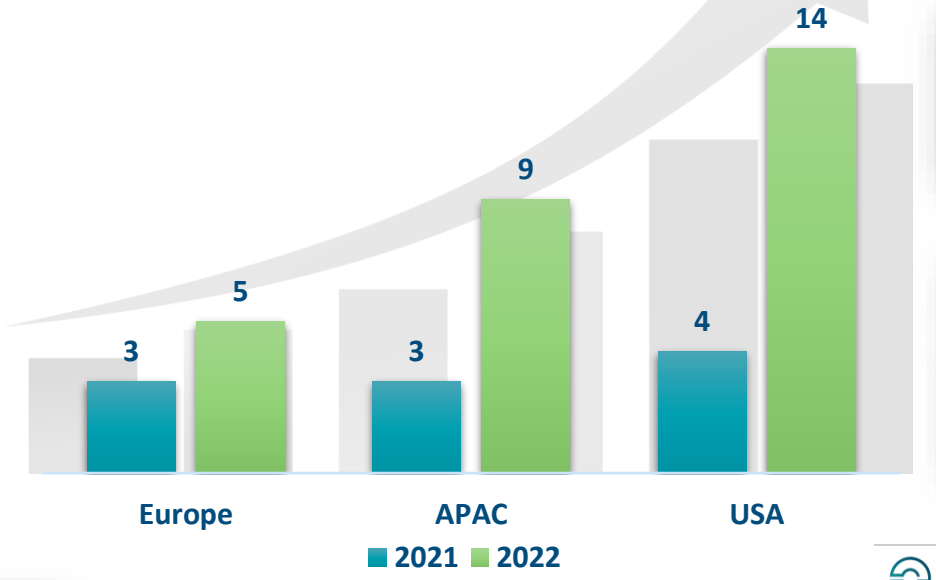
Energy Storage NEWS Advertising Contact

UK sees record-breaking submitted battery storage capacity under planning in Q2 2021

By Mollie McCorkindale

August 4, 2021

Global Storage Deployments 2021, GWh(1)



The Telegraph News Ukraine Sport Business Opinion Money Life Style

Economy Companies Markets Tech Alex

Europe's biggest battery to be built on Teesside

Singapore-based Sembcorp Industries is planning a new facility to help Britain manage intermittent flows of renewable power

By Rachel Millard

14 December 2021 • 6:00am

POWER Featured Categories

Distributed Energy

'Best Is Yet to Come' for Energy Storage Technology

S&P Global Market Intelligence

US energy storage developers plan 9 GW in 2022, building on 2021 breakthrough

Energy Storage NEWS Advertising Contact

NEWS

Expansion plan to take world's biggest battery storage project to 3GWh capacity

By Andy Colthorpe

January 25, 2022

(1) Wood Mackenzie, 2021

2021 CORPORATE SUMMARY

- Organizational build-up
- New Chairman & CEO, experienced leadership team appointed
- First pilot – small-scale commercial installation
- First AirSmart installation in EU
- AirSmart repeat orders from Iscar (Berkshire Hathaway Group)
- Significant increase in R&D investments
- Yahel pilot project optimization still underway
- AirSmart sales have not taken off yet to expected levels
- Surging global costs had a negative impact on our business plan

INVESTING IN THE FUTURE
2021 FINANCIAL RESULTS

Non-GAAP P&L*

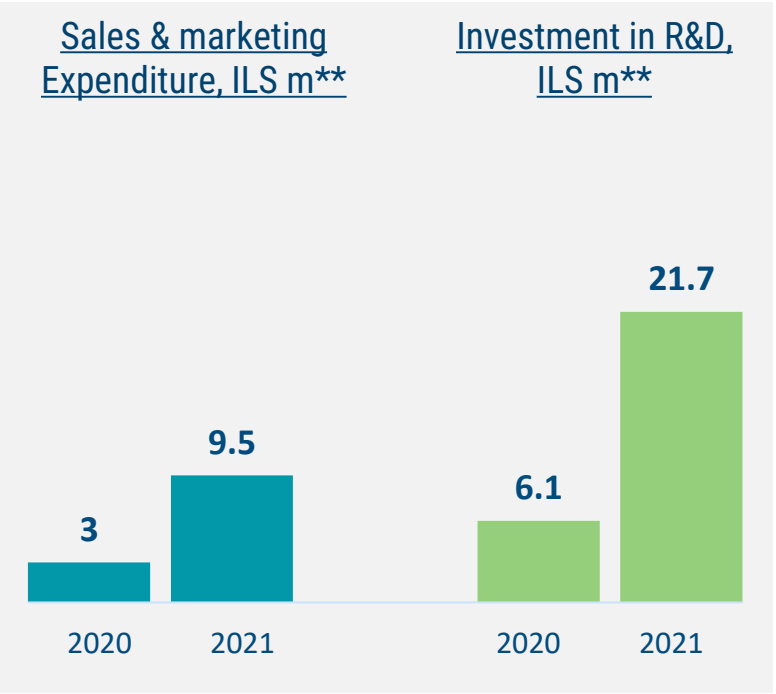
	2021 Reported	Adjustments	Share based compensation	2021 Non-GAAP
Revenues	1,763	3,433	–	5,196
Cost of sales and services	7,344	1,761	802	4,781
Gross profit	**(5,581)**	**–**	**–**	**415**
Research and development expenses	14,013	–	6,123	7,890
Selling and marketing expenses	15,662	–	6,195	9,467
General and administrative expenses	32,881	–	16,497	16,384
Other expenses	71	–	–	–
Operating Profit (Loss)	**(68,208)**	**5,194**	**29,616**	**(33,327)**
Finance income	609	–	–	609
Finance expenses	1,043	(900)	–	143
Net Loss	**(68,642)**	**6,094**	**29,616**	**(32,861)**

Change of estimate of variable consideration

Impairment loss

Non-cash

Non-cash share based compensation



** All Excl. SBC; R&D investment including Yahel development

* Displayed in thousands NIS

137M NIS CASH* AVAILABLE TO SUPPORT OUR BUSINESS PLAN

Balance Sheet in thousands NIS

	2020	2021
Cash and cash equivalents	24,378	6,667
Short-term deposits	–	130,618
Trade receivables	2,848	3,479
Other accounts receivable	2,419	3,013
Inventory of contracts in progress	609	1,849
Current Assets	**30,254**	**145,626**
–	–	–
Long-term deposits	150,140	–
Other Non-Current Assets	10,001	41,438
Non-Current Assets	**160,141**	**41,438**
Total Assets	**190,395**	**187,064**
–	–	–
Current Liabilities	7,676	14,530
Current Liabilities	3,429	15,261
Equity	276,105	322,730
Accumulated Deficit	(96,815)	(165,457)
Total Liabilities	**190,395**	**187,064**

* As of December 31st. 2021

Energy **Storage**

1

Industrial Compressed **Air**

2

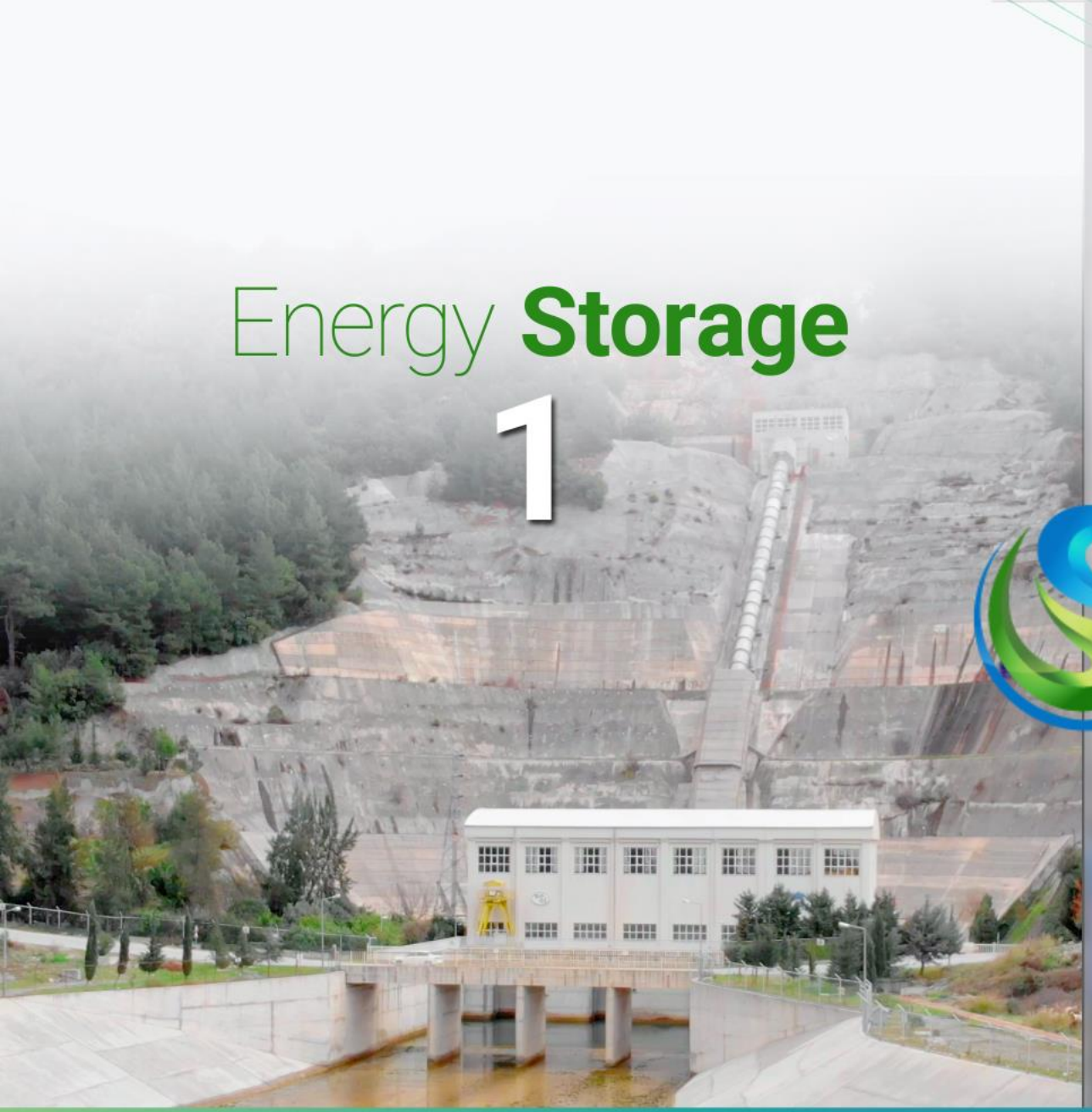
ENERGY EFFICIENCY

AIR | WATER | EARTH

harnessing the elements for a **CLEAN FUTURE.**

Energy **Storage**

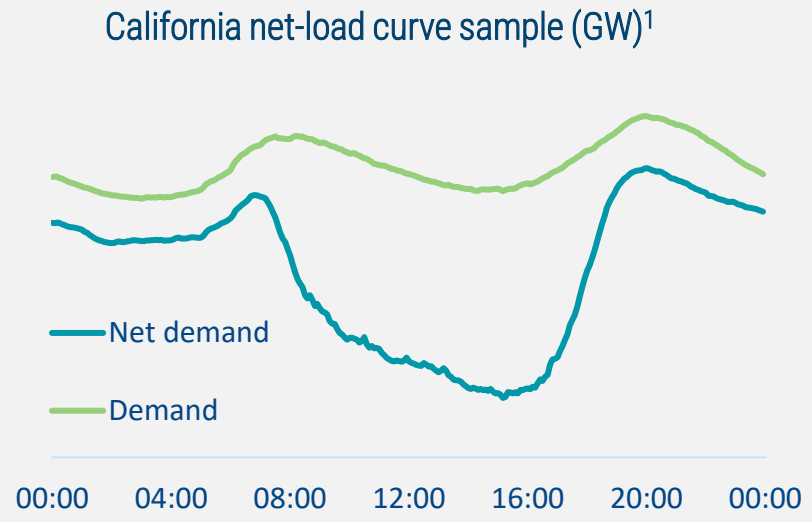
1



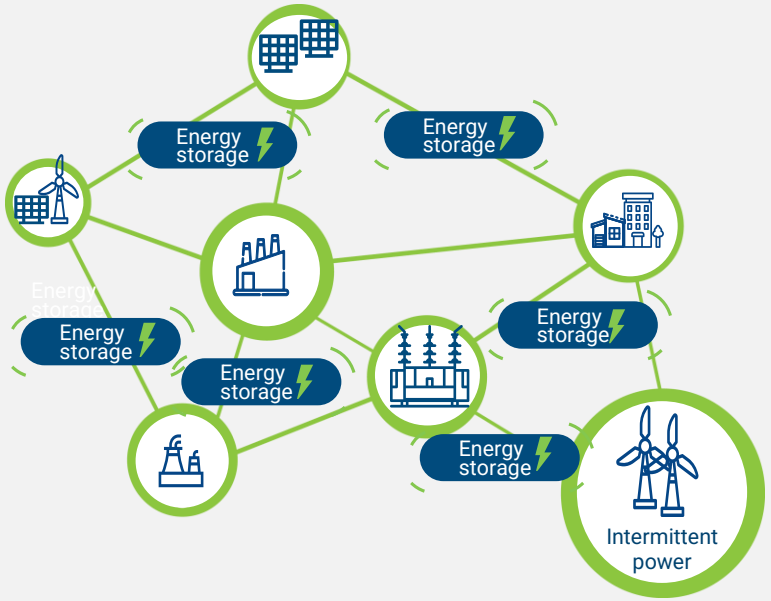
ENERGY STORAGE IS AN ENABLER IN THE TRANSITION TO RENEWABLE ENERGY SOURCES

Energy Storage

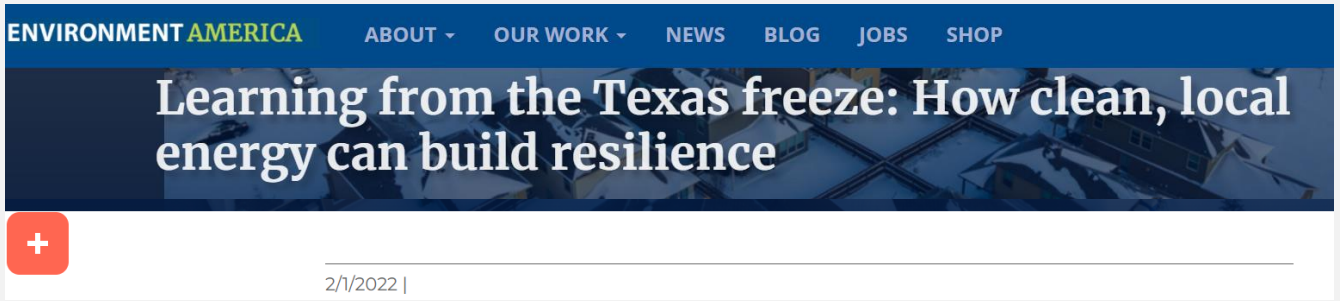
Supporting the integration of Renewable Sources



Energy storage is becoming distributed



Supporting resiliency



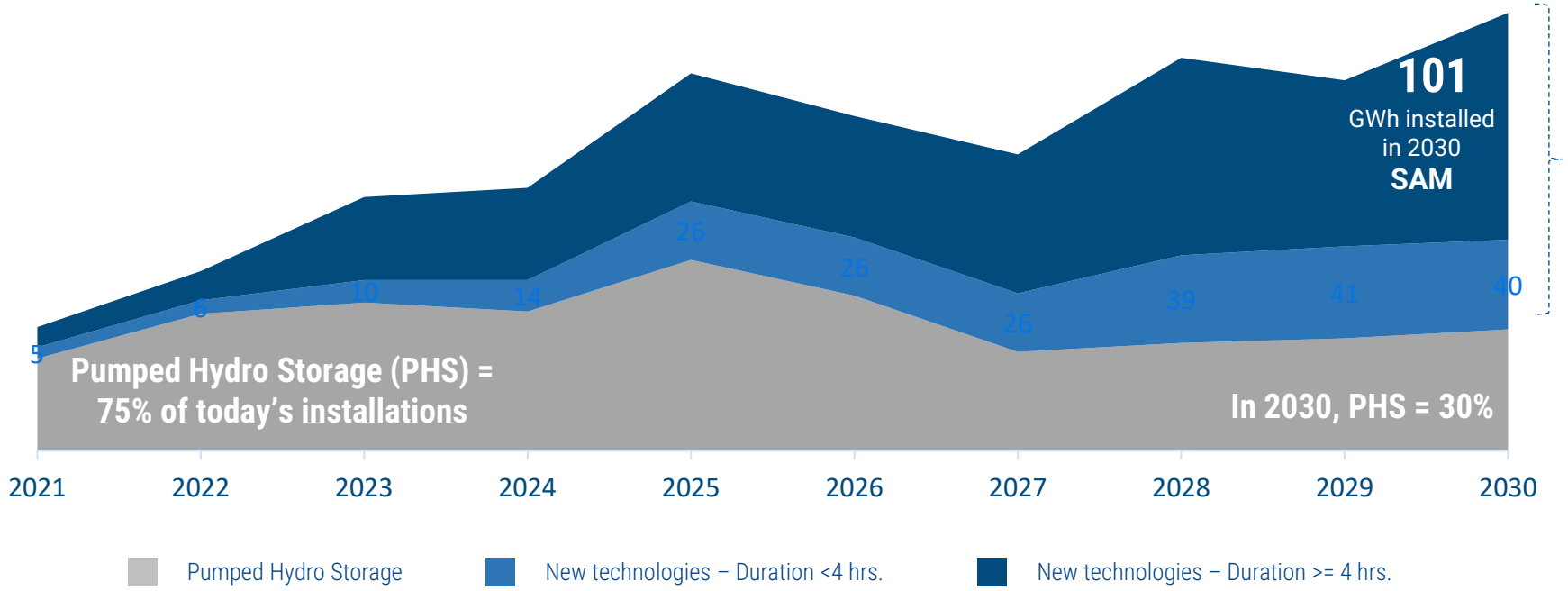
(1) California System Operator, March 31st 2022; Net Demand = Demand less wind & solar production

LDES IS BECOMING KEY TO THE GLOBAL ENERGY TRANSITION

NEW TECHNOLOGIES ARE NEEDED TO ADDRESS THE DEMAND

Annual energy storage deployments, globally (GWh)(1)

Total 195 GWh deployed in 2030



Augwind's servable market expected to reach 101 GWh by 2030

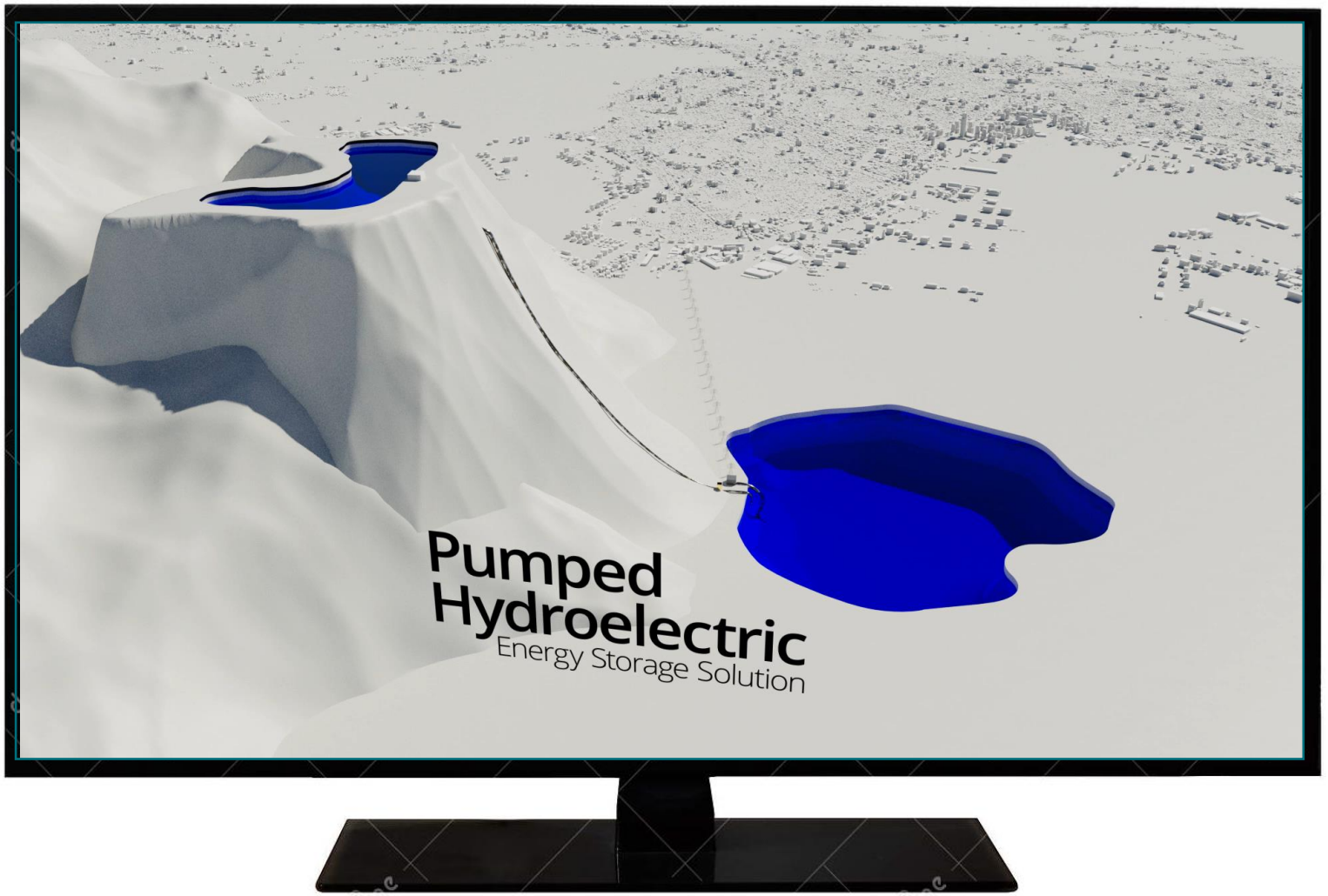
New technologies are emerging to fill the gap

- AirBattery
- Mechanical solutions
- Electrochemical solutions
- Thermal solutions
- Others

(1) Company's Analysis based on several market forecasts: Bloomberg; Wood Makenzie; IHS Markit

AIRBATTERY UNBUNDLES PUMPED-HYDRO CONSTRAINTS

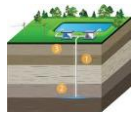
PHS IS THE MOST COST-EFFICIENT ENERGY STORAGE SOLUTION
BUT IT REQUIRES MASSIVE LAND AND UNIQUE TOPOGRAPHY



AIRBATTERY IS AT THE SWEET-SPOT
OF LONG DURATION ENERGY STORAGE

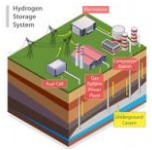
Electrochemical
Lithium-Ion and other chemistries:
Lead-acid, Zinc, Sulphur, flow, metal-air...

TESLA · Ambri · BYD · ZincFive · NGK · eos · Form energy



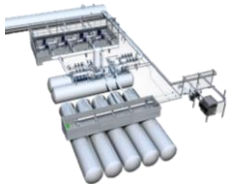
Mechanical
Pumped Hydro; CAES, Gravity

Storelectric · HYDROSTOR

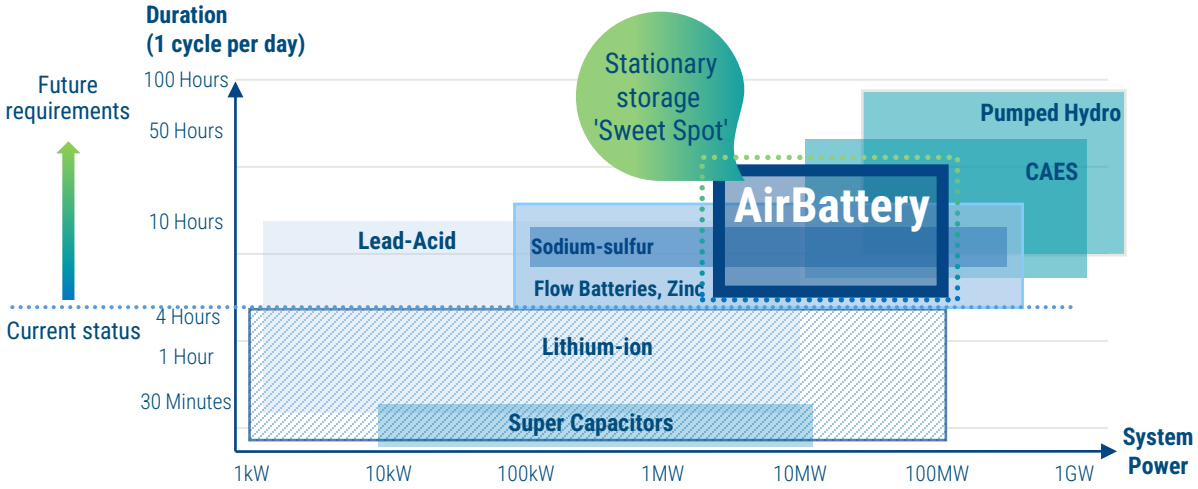


Future / early stage
Thermal; liquid-Air; Hydrogen; Magnetic, massless...

Bloomenergy · Highview Power · MALTA

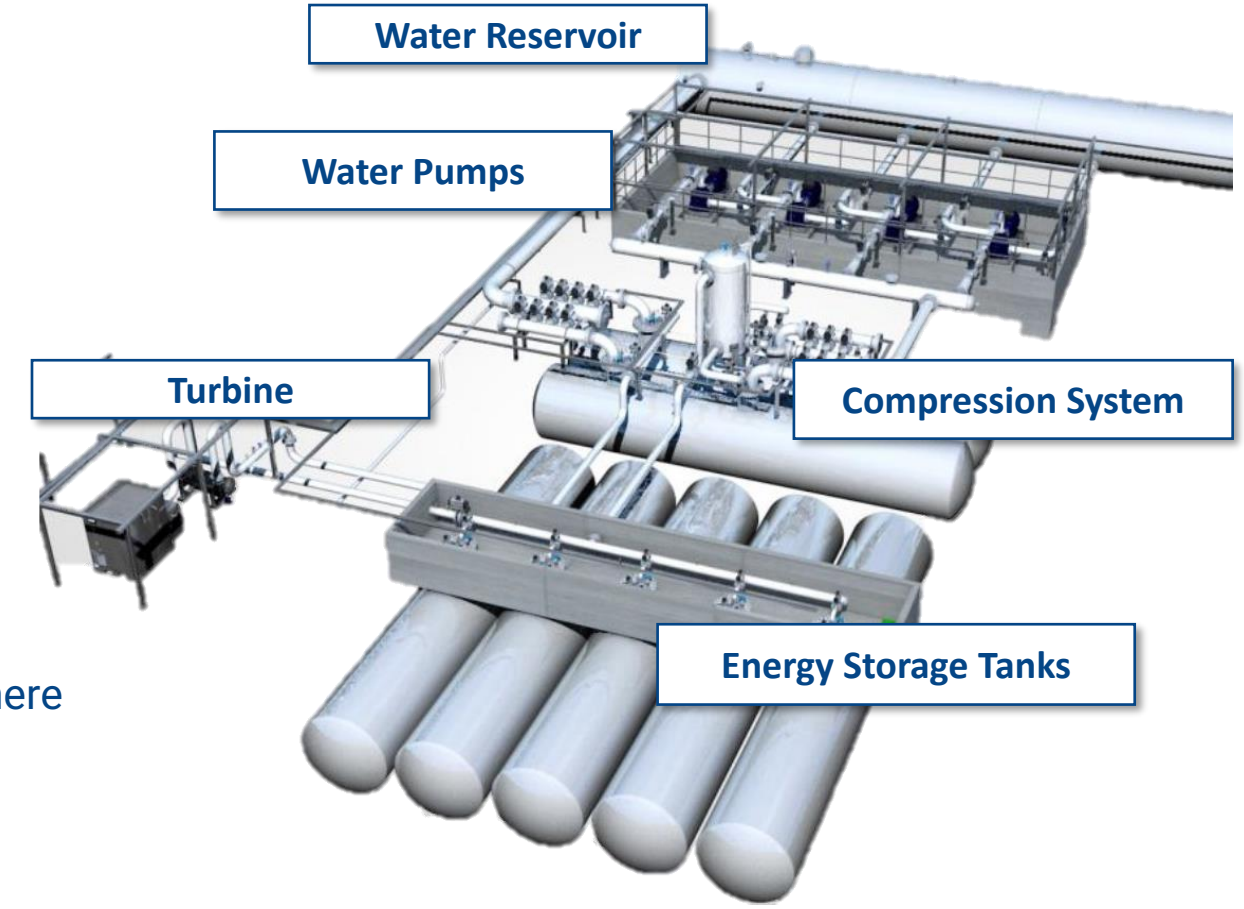


AirBattery
A novel combination of pumped-hydro and compressed air energy storage in a modular, scalable system architecture.



AIRBATTERY PROVIDES THE ADVANTAGES OF PUMPED-HYDRO
WITHOUT ITS DRAWBACKS…

- ✓ Suitable for Long duration 4-12 hrs. & Multiple daily cycles
- ✓ Minimal degradation
- ✓ Over 70% Round-Trip Efficiency (RTE target)
- ✓ Competitive total cost of ownership (TCO) vs. existing alternatives
- ✓ Strong ESG: Not dependant on rare chemicals or metals, uses recycled materials, no major recycling challenges, relies strongly on local sourcing and manpower
- ✓ Minimal footprint and can be implemented almost anywhere
- ✓ Scalable & modular – 10-1,000 MWh



Energy Storage

1

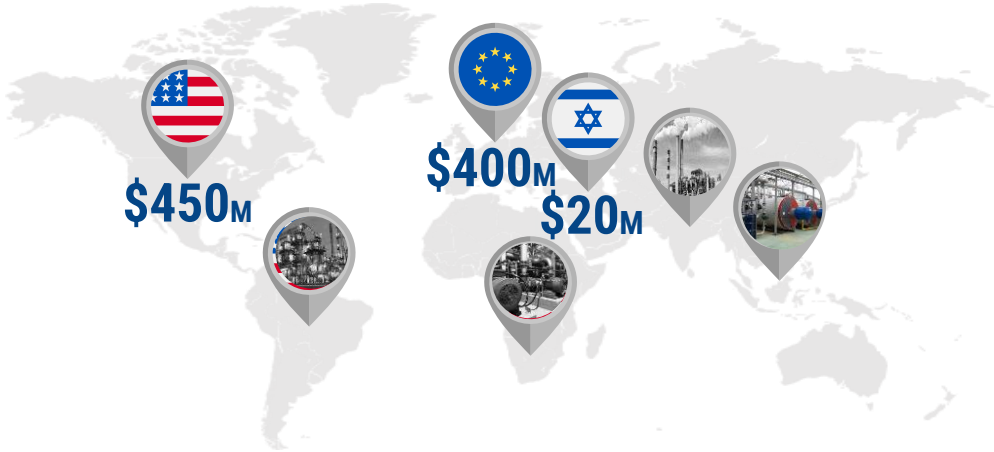
Industrial Compressed Air

2

IMPROVING INDUSTRIAL ENERGY CONSUMPTION

CREATES HUGE OPPORTUNITIES FOR AUGWIND ACROSS INDUSTRIES AND GEOGRAPHIES

AirSmart potential market size in focus regions(1)



Industrial players are eager to implement energy efficiency solutions to increase manufacturing resiliency, meet decarbonization goals and improve overall profitability

AirSmart offers a huge saving potential for Industrial compressed air consumers **across developed and emerging markets**

Key Target Industries


Steel


Chemical & Petroleum


Cement


Glass


Paper & Pulp


Automotive


Food & Beverages

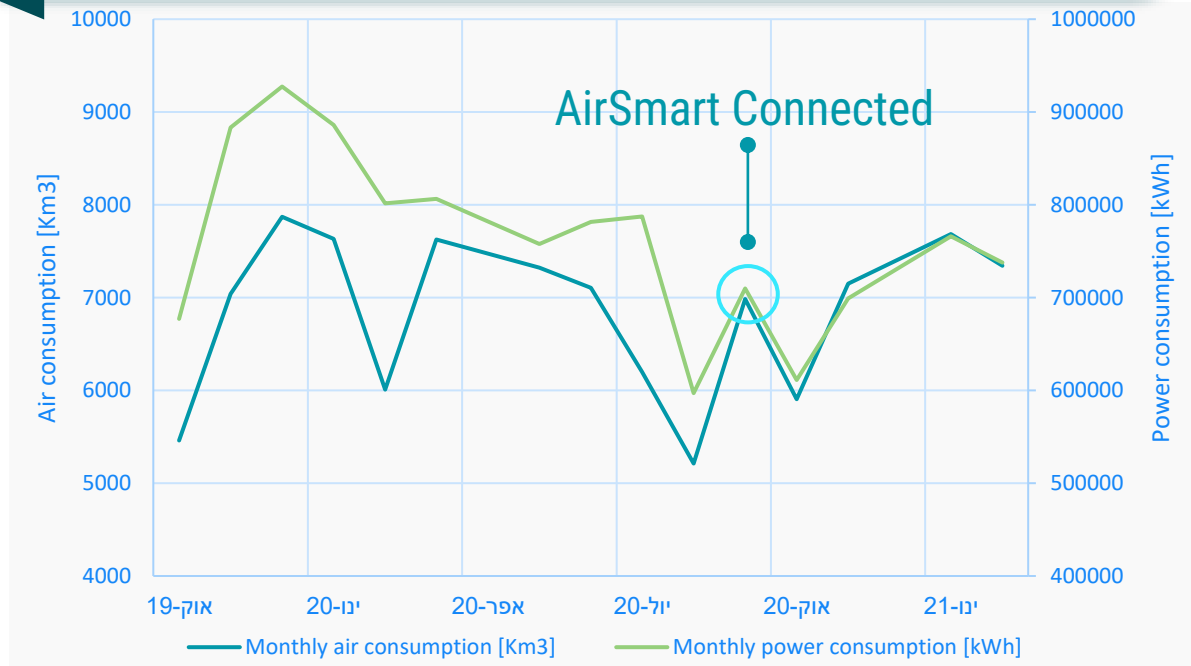

Plastic


Textile

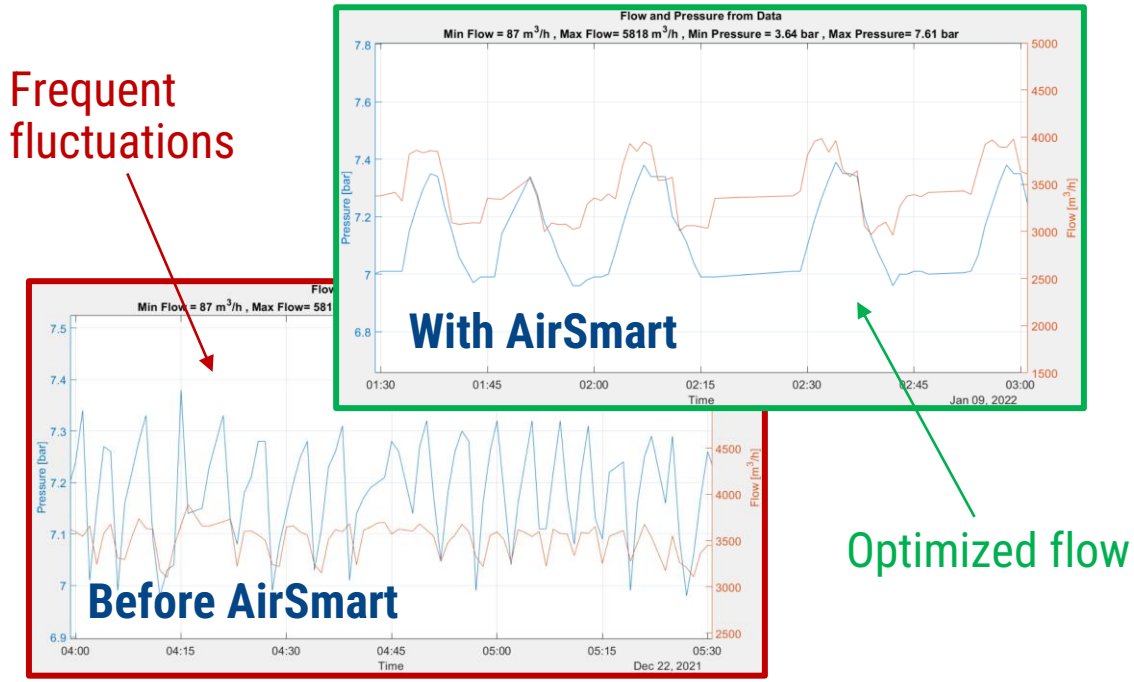
(1) Augwind's analysis as elaborated in the financial reports

PROVEN ENERGY SAVINGS (EXAMPLES)

Metalworks customer : ~17% savings



Plastic customer: ~15% savings



Optimizing power consumption with compressed-air generation

Optimizing pressure & flow

STRATEGY GOING FORWARD

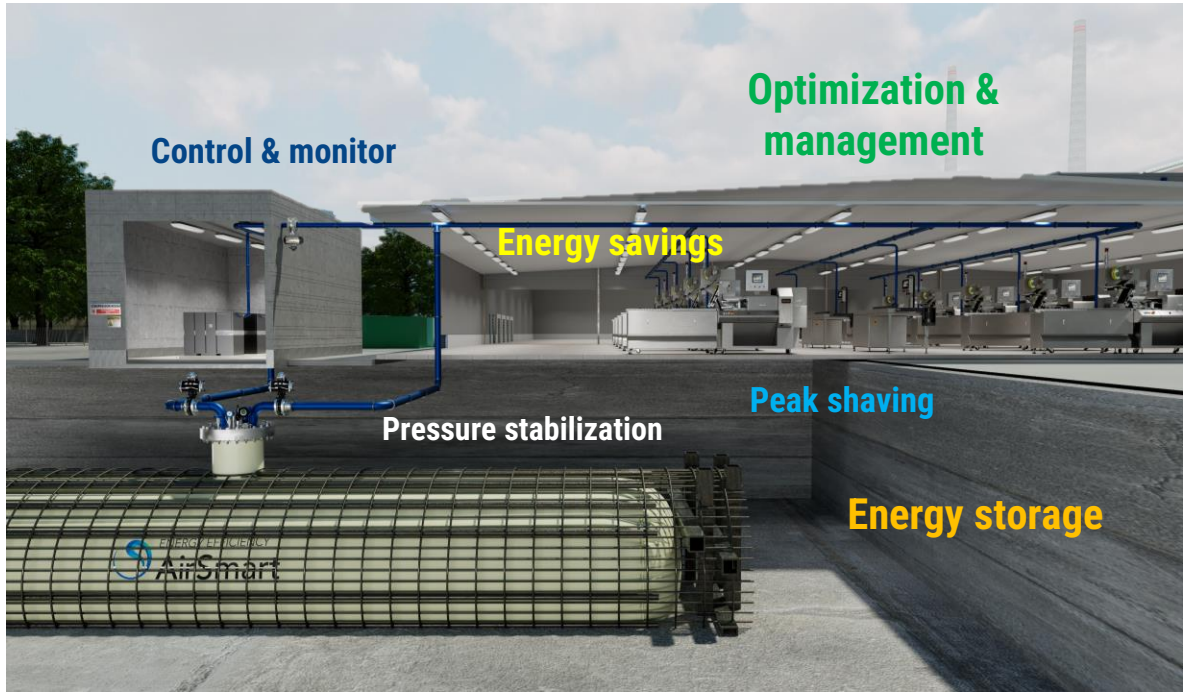
INITIAL INSIGHTS 3 MONTHS INTO THE JOB

AIRSMART: BECOMING A HOLISTIC INDUSTRIAL EFFICIENCY SOLUTION

AirSmart projects are currently focused only on compressed-air energy savings

Track-record of over 30 AirSmart projects* has shown significant additional industrial benefits, such as:

- ✓ Process stabilization
- ✓ Reduction in reject-rates
- ✓ Improved productivity and yield
- ✓ Reduced down-time/Back up
- ✓ Machinery longevity



In 2022 Augwind plans to expand its UVP and significantly increase sales and profitability of AirSmart product line

* Over 60 AirXs installations

AIRSMART PROVIDES A UNIQUE OPPORTUNITY FOR AUGWIND TO BECOME

THE PREFERRED INDUSTRIAL ENERGY EFFICIENCY PARTNER

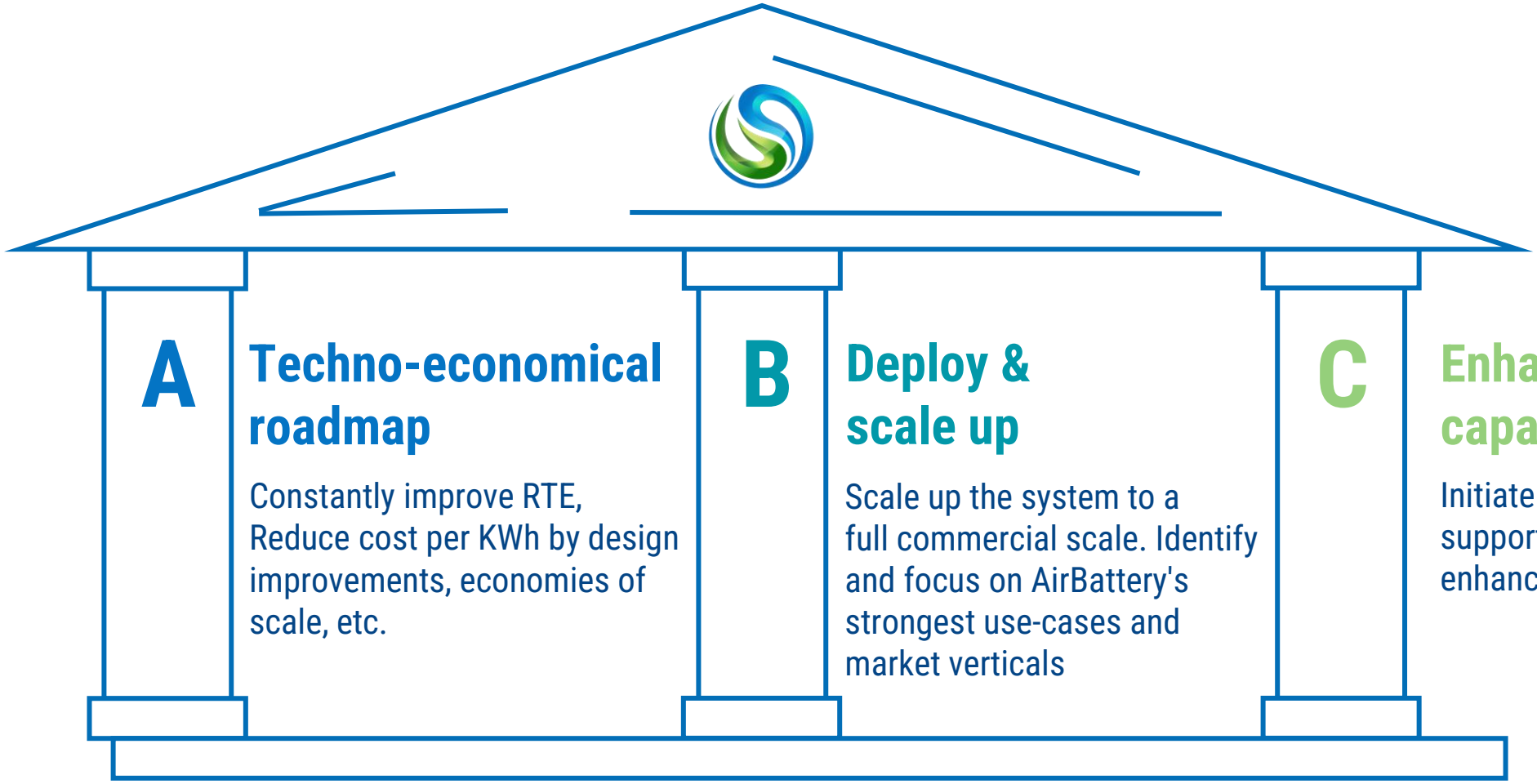
A new growth path for growing Augwind's AirSmart line of business:

- **Develop an extended industrial energy management system**
  combining hardware and software
- **Increased deal size/ value**
  by expanding the product offering for industrial clients
- Leverage relationships with industrial players
  to **create additional growth opportunities**
- **Increase Augwind's UVP (unique value proposition)**
  by developing exclusive solutions and system configurations
- **Enhance Augwind's energy efficiency capabilities**
  by expanding its management team, OEMs, collaborations and potential acquisitions

AIRBATTERY: FROM YAHEL TO GLOBAL DEPLOYMENT

1MWh Project in the southern part of Israel, a (small) commercial-scale pilot

AIRBATTERY'S ROADMAP TO GLOBAL COMMERCIAL SUCCESS RELIES ON 3 PILLARS



A Techno-economical roadmap

Constantly improve RTE, Reduce cost per KWh by design improvements, economies of scale, etc.

B Deploy & scale up

Scale up the system to a full commercial scale. Identify and focus on AirBattery's strongest use-cases and market verticals

C Enhance local capabilities, globally

Initiate strategic partnerships to support globalization plan and enhance capabilities

AIRBATTERY AS A COMPETITIVE LONG DURATION SOLUTION
COMPARATIVE ANALYSIS

8 hrs. AirBattery Total Cost of Ownership (TCO) difference vs. Li-Ion (%), NPV(1)

RTE(1) \ Price ($/KWh)	300	275	250	225	200
75%	-9%	-14%	-20%	-25%	-31%
70%	-5%	-11%	-16%	-22%	-28%
65%	-1%	-7%	-12%	-18%	-24%

Li-Ion base case assumptions:

- **CAPEX:** $250/kWh*
- **RTE(1):** 86%

(1) Illustrative analysis, based on the following additional assumptions: Project Duration: 30 Years; Charge costs: $20/MWh; Li-Ion degradation: 2% p.a.; Li-Ion O&M: 1%-2%; WACC: 4%; Li-Ion full replacement after 15 years at 50% of initial CAPEX; RTE – Round Trip Efficiency

* Including full installation, civil, and logistic costs (ready on-site)

B SCALING-UP IS ALREADY UNDERWAY

FOCUS ON LONG DURATION, UTILITY SCALE & COMPRESSED AIR INTEGRATION

Phase 1
POC
Yakum

10 KWh

2020

Phase 2
Pilot
Small Commercial Scale
Yahel

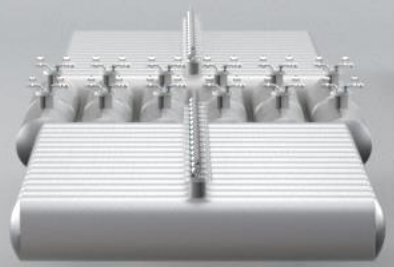
1 MWh

2021/22

Under commissioning

Phase 3
Commercial
Demonstration
Hybrid
Hanita / Solegreen

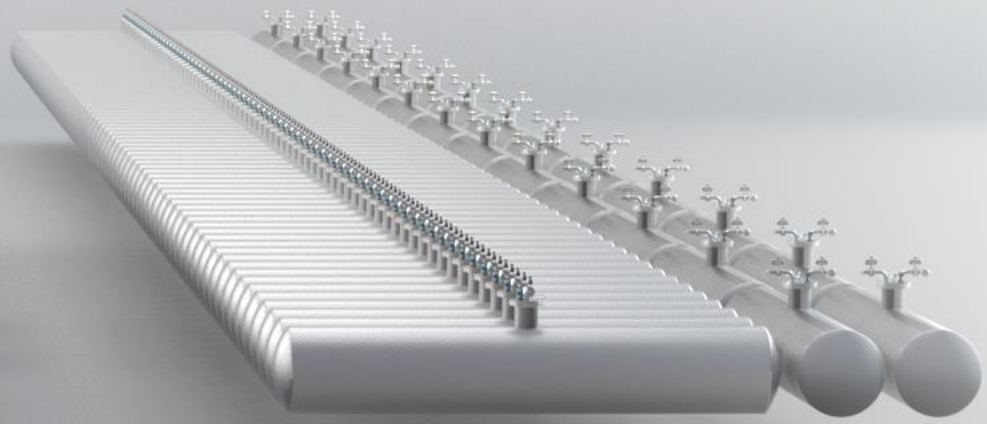
5-10 MWh



2022/23
RTE
70%

Phase 4
Commercial
Deployment
IEC

40 MWh



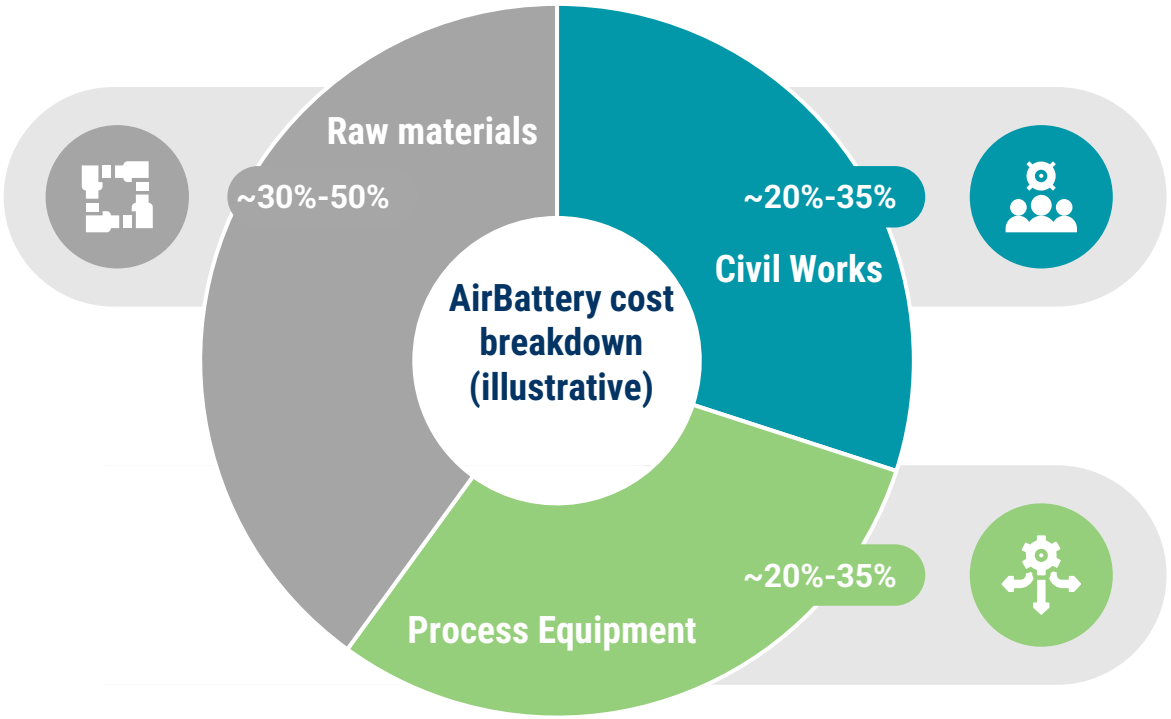
2023/24
RTE
>70%

RTE % represents Augwind's design goals

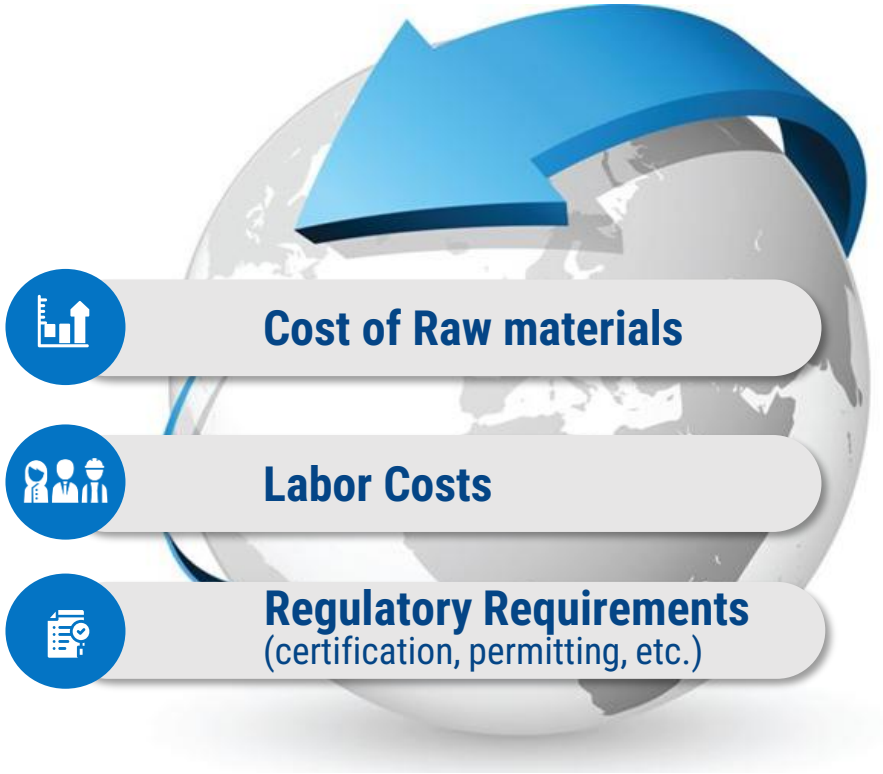
C LOCAL CAPABILITIES & SOURCING ARE KEY TO SUCCESS

AIRBATTERY INCLUDES SIGNIFICANT LOCAL CONTENT

AirBattery is a combination of a novel energy technology and a local infrastructure project



Costs & use-cases are influenced by geography



C STRATEGIC PARTNERSHIPS AND COLLABORATIONS
TO ENHANCE AUGWIND'S CAPABILITIES

Focus on strategic partners with significant value-added capabilities, either locally or globally, such as:

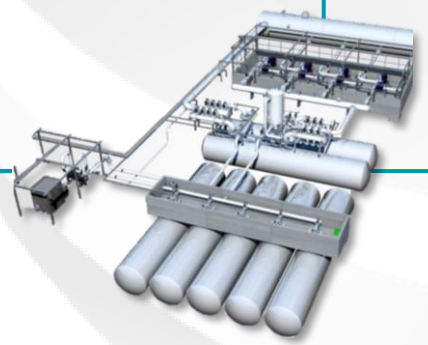
Energy Efficiency & Management

EPC Capabilities

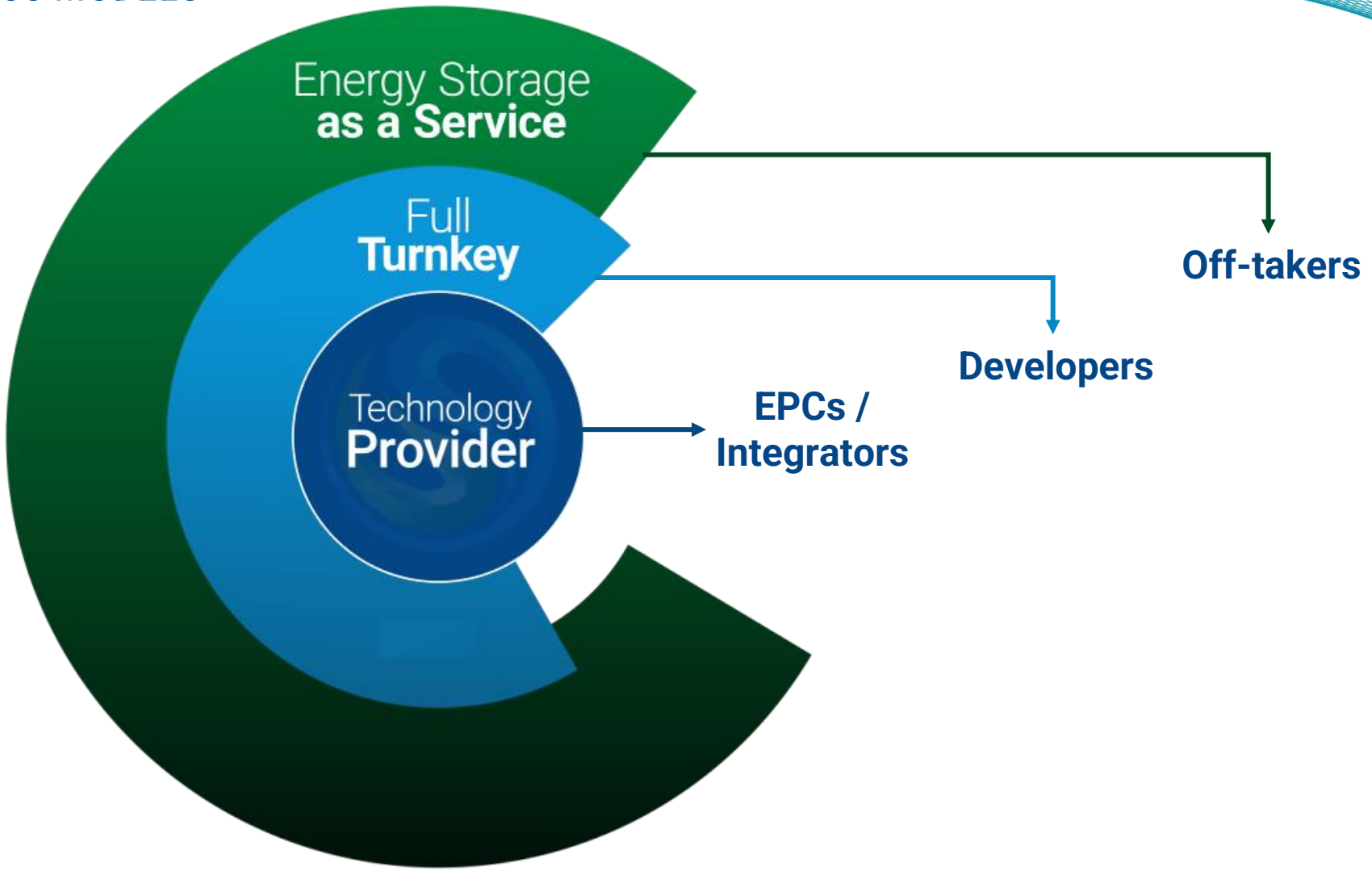
Project Development

Efficient Sourcing of Raw Materials

Equipment Engineering & Design



MAXIMIZE AIR BATTERY'S VALUE
UNDER VARIOUS BUSINESS MODELS



AUGWIND'S NEW LEADERSHIP TEAM

SET TO LEAD THE ROAD TO GLOBAL IMPLEMENTATION

Gabi Seligsohn
Executive Chairman

Allon Raveh
CEO

Kobi Vinokur
CFO

Or Yogev, PhD
Founder & CTO

Oded Lilian
COO

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Ronit Haver-Gold
VP Human Rerources

Eshhar Chetsrony
VP Business Development

Avi Geller
VP Engineering & Product Dev.

Gil Frechtman
VP Projects

Avner Stern
General Counsel

COMVERSE · infineon · BELECTRIC · Solegreen Renewable Energy · AquaMaof · IDE · ORMAT · INBAR · GROSS · BKZ · GLUSMAN&CO.

2022 WILL BE A PIVOTAL YEAR FOR AUGWIND

KEY TARGETS **FOR 2022**

- Identify & focus on AirBattery's strongest use-cases & market verticals
- Continue technological roadmap to improve RTE & reduce costs
- Create strategic partnerships to enhance Augwind’s capabilities and support geographic expansion plans
- Construct first commercial demonstration project of 5-10MWh and develop additional demo projects in various geographies
- Expand value proposition for industrial energy efficiency, increase sales & profitability, grow in new geographies
- Further solidify organizational scale up

JOIN US ON THE ROAD **TO A CLEANER FUTURE.**

Thank you!

For more information:
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ADDITIONAL SLIDES

AMBITIOUS CLIMATE TARGETS DRIVE THE HIGH DEMAND FOR

RENEWABLE ENERGY AND ENERGY EFFICIENCY

> This is the decisive decade…we must make decisions that will avoid the worst consequences of a climate crisis
>
> PRESIDENT BIDEN, APRIL 22, 2021

- **Targets**: cut carbon emissions by 50-52% below 2005 levels by 2030
- Target **32% renewable energy** and **32.5%** improvement in **energy efficiency** by 2030
- Govt' publish energy storage guidelines to achieve the need for **27GW/108GWh of storage**
- 25 States have mandatory **Energy Efficiency** Resource Standards or Goals

- Today, wind and solar are the cheapest ways to generate electricity in many countries
- Energy efficiency increases industries' competitiveness and reduces energy bills

Source: President Biden at the Virtual Leaders Summit on Climate Opening Session, Reuters, dsireusa.org

AUGWIND'S CORE TECHNOLOGY

IN THE HEART OF TWO INNOVATIVE LINES OF PRODUCTS

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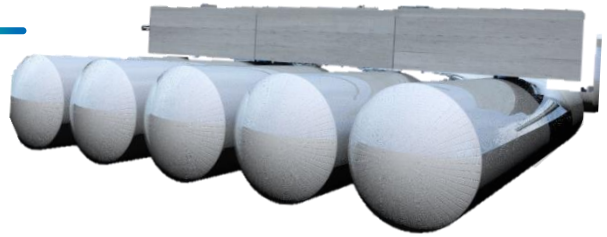
AirBattery

Energy Storage System

- Secure energy resilience
- Save energy costs
- Integrate renewables
- Site-able with minimal footprint

AirX

Patented technology for safe, reliable and cost-effective underground storage of compressed air & gas



18 patents granted
13 pending

AirSmart

Industrial Energy Efficiency

- Slash energy costs
- Secure production continuity
- Enable peak shaving
- Maintain machinery longevity

AIRBATTERY IS BASED ON A PROVEN TECHNOLOGY

AIRX IS USED FOR UNDERGROUND STORAGE OF COMPRESSED AIR

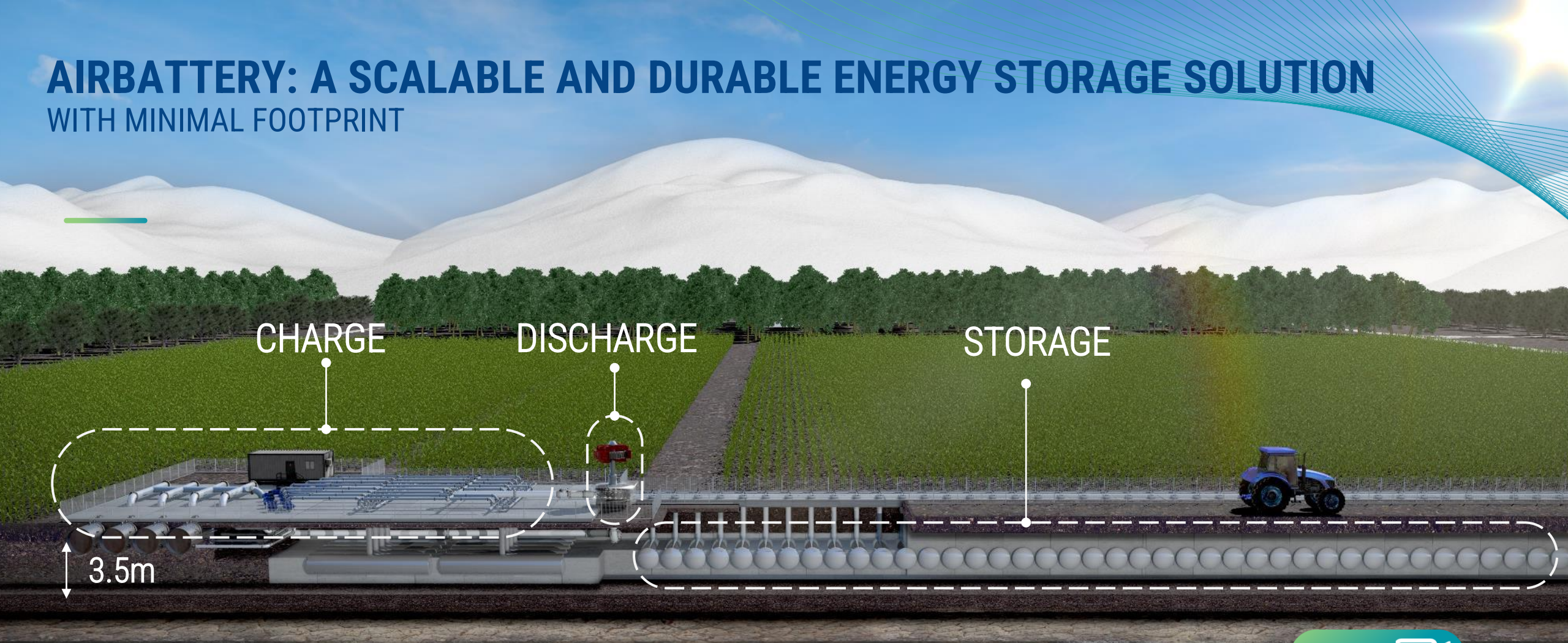
AUGWIND

Providing safe, cost-effective storage with minimal footprint

1. Polymer liner
2. Steel frame
3. Placing
4. Casting
5. Completion
6. Maintenance

AIRBATTERY: A SCALABLE AND DURABLE ENERGY STORAGE SOLUTION

WITH MINIMAL FOOTPRINT

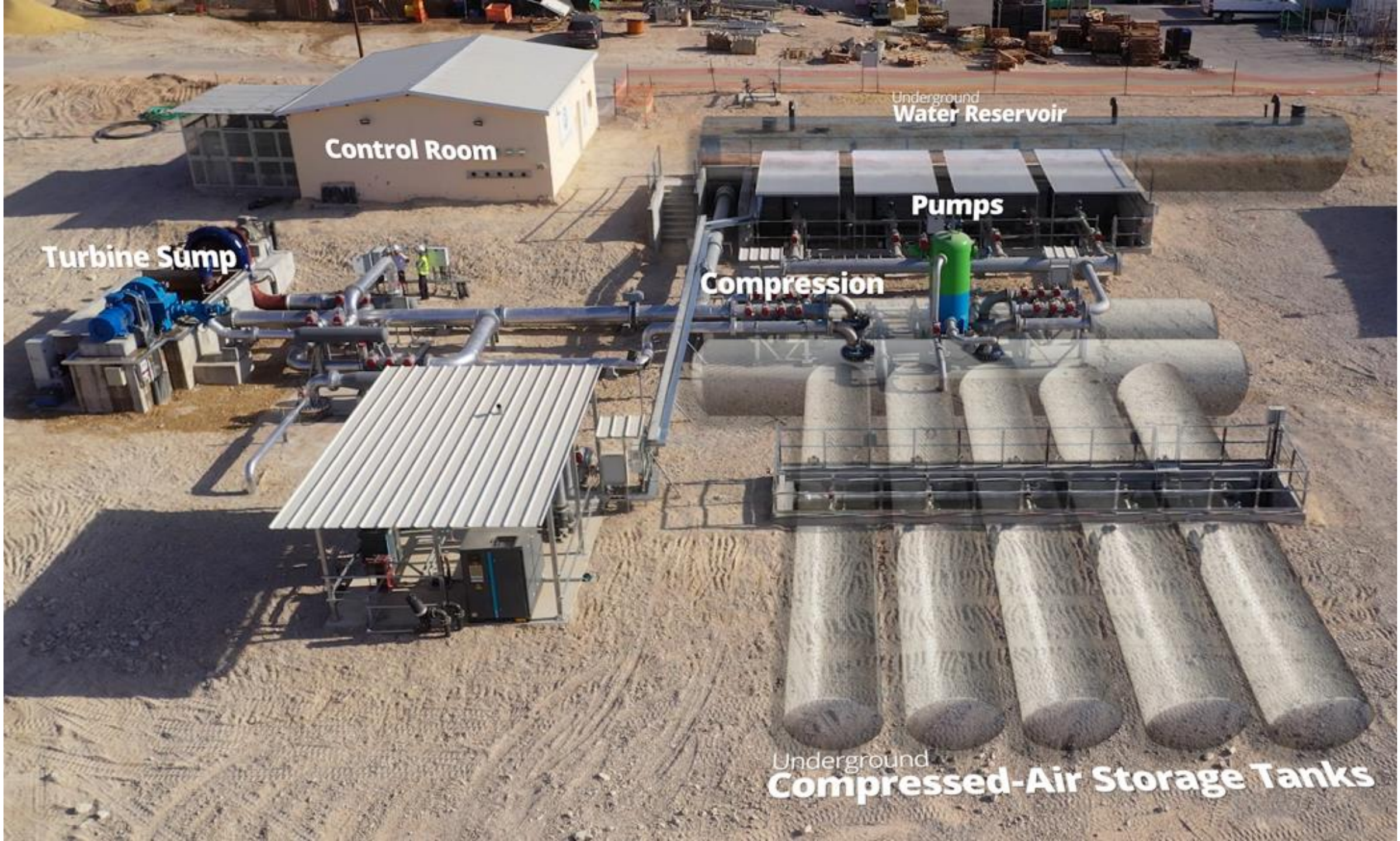


Separate charge, discharge and storage components enable multiple energy storage services

Play movie

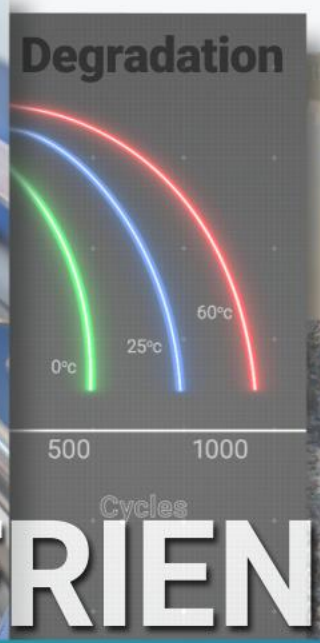
Multiple daily cycles with no degradation

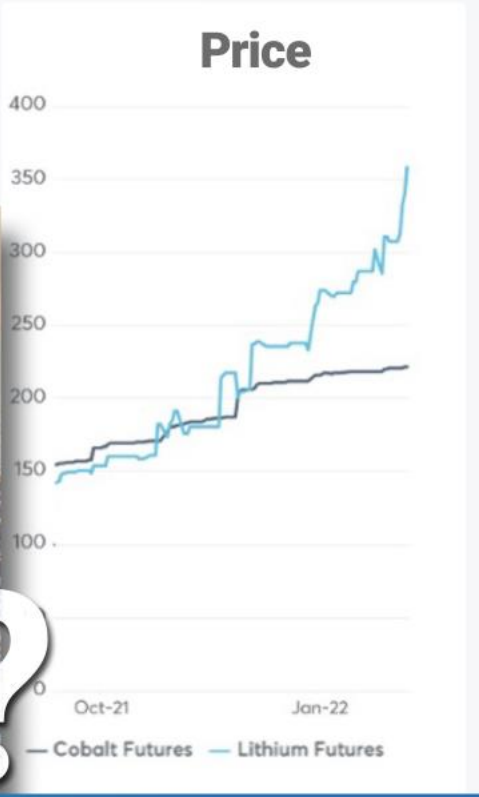
- Commercial & Industrial
- Transmission & Distribution
- Peaking capacity & Energy shifting
- Bulk energy & Longer duration


Underground
Water Reservoir
Control Room
Pumps
Turbine Sump
Compression
Underground
Compressed-Air Storage Tanks

ELECTROCHEMICAL SOLUTIONS POSE RISKS AND COMPLEXITIES

SUPPLY CHAIN STABILITY?





ENVIRONMENTALLY FRIENDLY?

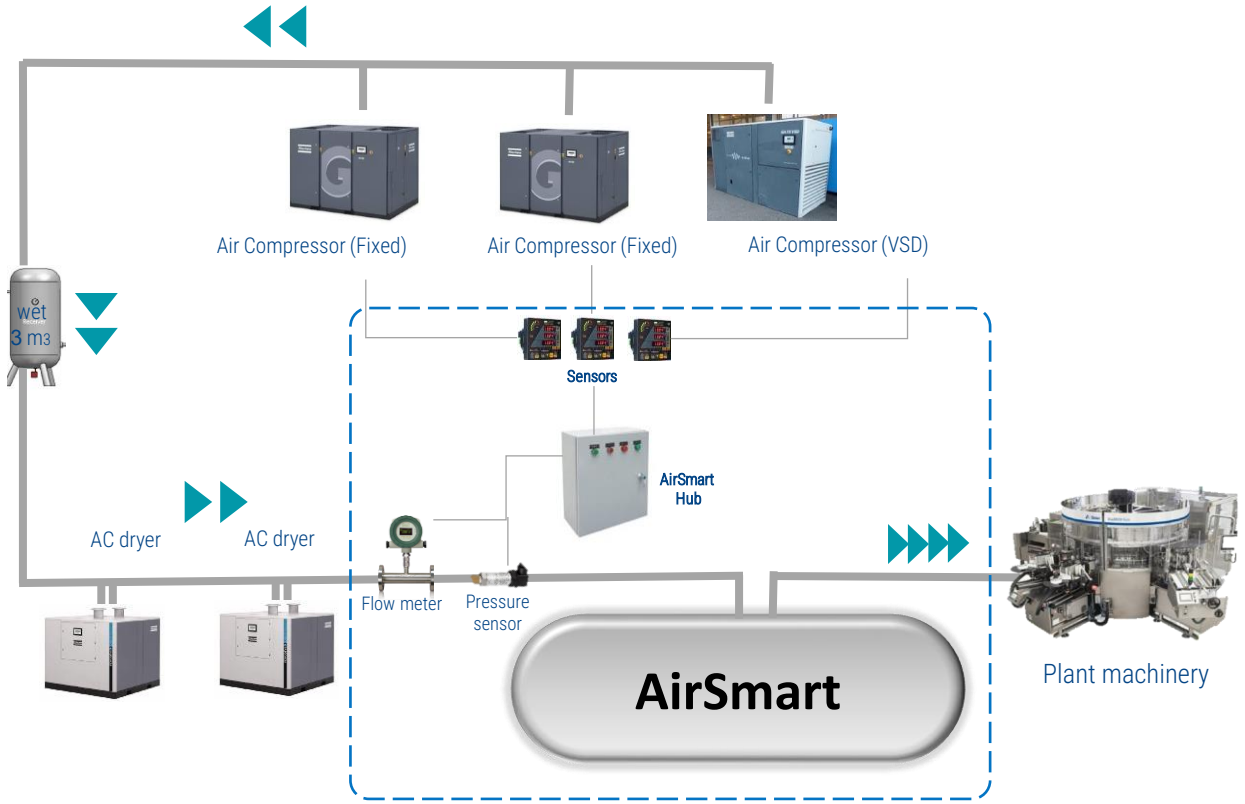
THE NEED FOR COMPRESSED AIR ENERGY EFFICIENCY SOLUTIONS

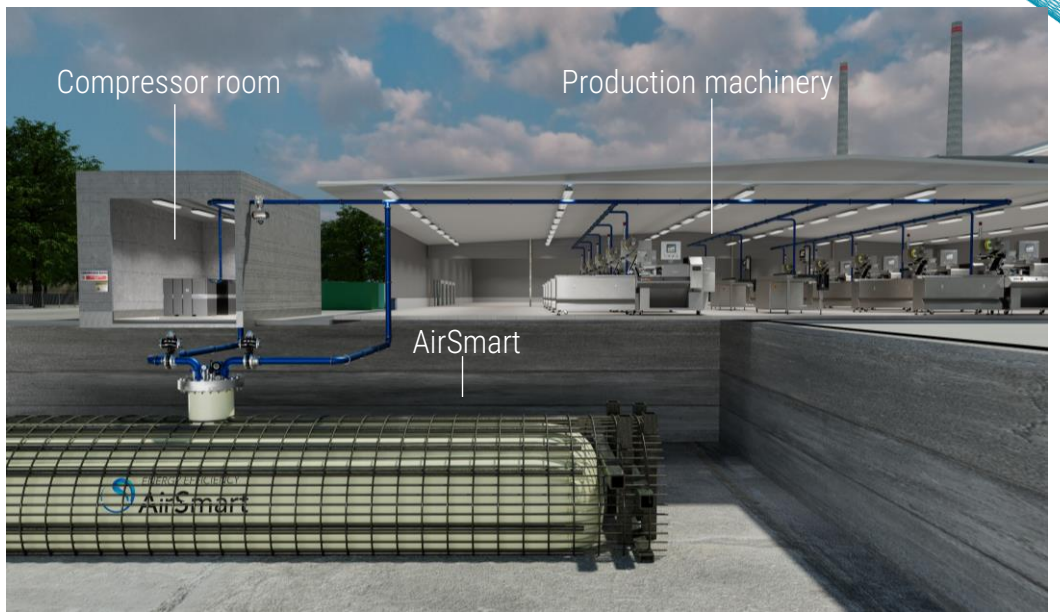
- Compressed air is an integral part of most manufacturing processes
- However, it is one of the most inefficient, expensive and misused utilities in manufacturing plants
- Energy used for air compression may account for **10%-30% of the overall electricity bill of a typical plant**
- Industrial compressed-air, and the global ambition for carbon emissions reduction create a **huge opportunity for Augwind**

Source: M.L. Stowe “Compressed Air Basics”, American Institute of Chemical Engineers.

AIRSMART SYSTEM ARCHITECTURE

ALLOWS A SAFE AND EFFICIENT INSTALLATION FOR INDUSTRIAL PLANTS





Installed underneath operational/ functional areas of the plant
With no footprint and minimal maintenance