



AUGWIND

ENERGY STORAGE SOLUTIONS

Investor Presentation | May 2021

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ENABLING A CARBON FREE FUTURE

01

Large and growing addressable markets with strong tailwinds

02

Energy Storage and Industrial Energy Efficiency markets seek disruptive solutions

03

Augwind's unique, cost effective solutions fit the market road map

04

On a path to deliver steep growth in the coming years

05

Developing global infrastructure to achieve growth targets

06

Strong alignment with ESG principles



Approx. **\$70B**

Expected energy storage market size in 2030¹



Approx. **\$8.5B**

Current estimated industrial energy efficiency market size²



> **160MWh**

of backlog in Israel in 2020

(1) Based on the "Energy Storage Grand Challenge" Market Report by the U.S DoE, December 2020. Assumptions are based on current pricing of \$250/kWh.

(2) Based on Company Analysis.



DRIVING INNOVATION FROM THE GROUND UP

We developed a patented technology for underground storage of compressed air at high pressure, providing ground-breaking energy storage solutions for the renewable energy and energy efficiency markets

Established 2012

Founder: Or Yogev, industry veteran, PhD, Caltech
Approx. 40 employees in Israel

Public (TASE: AUGN)

Market Cap. 1.5B NIS

Market cap. as of May 13, 2021

Technology: AirX

Products: AirSmart, AirBattery

18 patents granted

13 pending

Select Customers and Projects:



EXPERIENCED LEADERSHIP TEAM



Gabi Seligsohn
Executive Chairman

Transformational leadership



Or Yogev, PhD
Founder & CEO

From vision to reality



Tamir Vieman
CFO

Crunching the numbers



Eshhar Chetsrony
VP Business Development

Plugged into the market



Ari Alkalay
VP Engineering



Avi Geller
VP R&D



Gil Frechtman
Head of Operations



1

The global energy transition:
**A GROWING NEED FOR
AUGWIND'S TECHNOLOGY**

2

OUR DISRUPTIVE SOLUTIONS
Enable the energy efficiency and
renewables transformation

3

Our path to achieve
STEEP GROWTH

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



Invest \$115B in infrastructure resilience and R&D, **including energy storage**



25 States have mandatory **Energy Efficiency** Resource Standards or Goals



Target **32% renewable energy** and **32.5% improvement in energy efficiency** by 2030



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](#)

FAST FORWARD TO 2030



35% of global electricity to be supplied by renewable energy



75% of renewables from intermittent sources (solar, wind)



80% of global electricity demand growth to come from renewables

Source: U.S. Energy Information Administration, Annual Energy Outlook 2021 (AE02021) and IEA

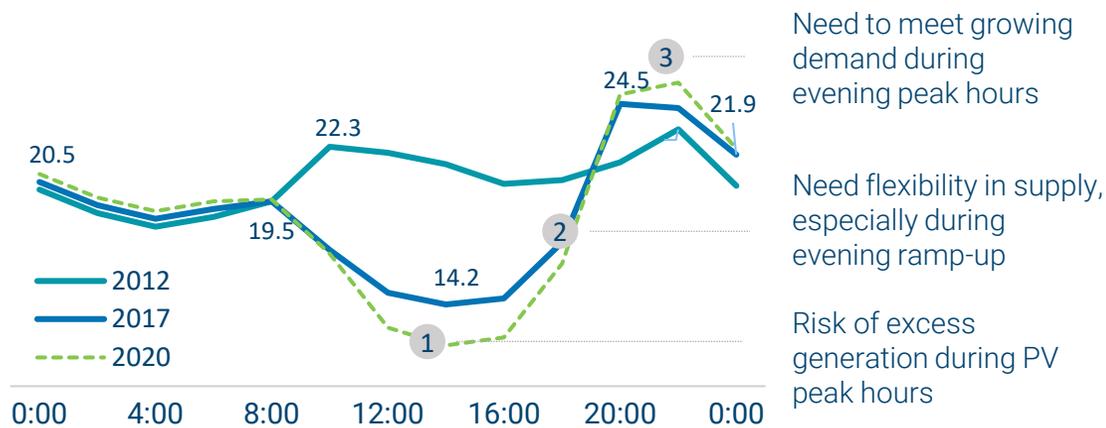


THE CONSTANT SHIFT TO RENEWABLES DRIVES STRONG DEMAND FOR ENERGY STORAGE SOLUTIONS

CALIFORNIA 2020: >35% RENEWABLES¹

CALIFORNIA 2030 TARGET: 60% RENEWABLES

California net-load curve sample (GW)²



~10GW

of energy storage deployments is required³

Wind and solar provide power only when the wind blows and the sun shines.

Storage is crucial to match the demand for intermittent supply.

Source:(1) CAISO & TASC Consultancy (2) CEC, December 2019.(3) Energy Storage News

ENERGY STORAGE ALSO PLAYS A KEY ROLE IN THE SHIFT TO **DECENTRALIZED POWER GENERATION**

**Tremendous opportunity to stack services
and generate multiple revenue streams
from energy storage assets**



Commercial
& Industrial



Transmission
& Distribution

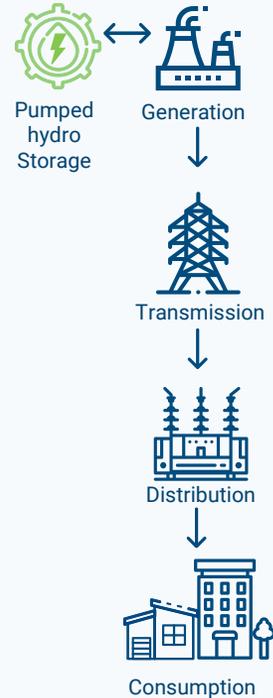


Peaking capacity
& Energy shifting

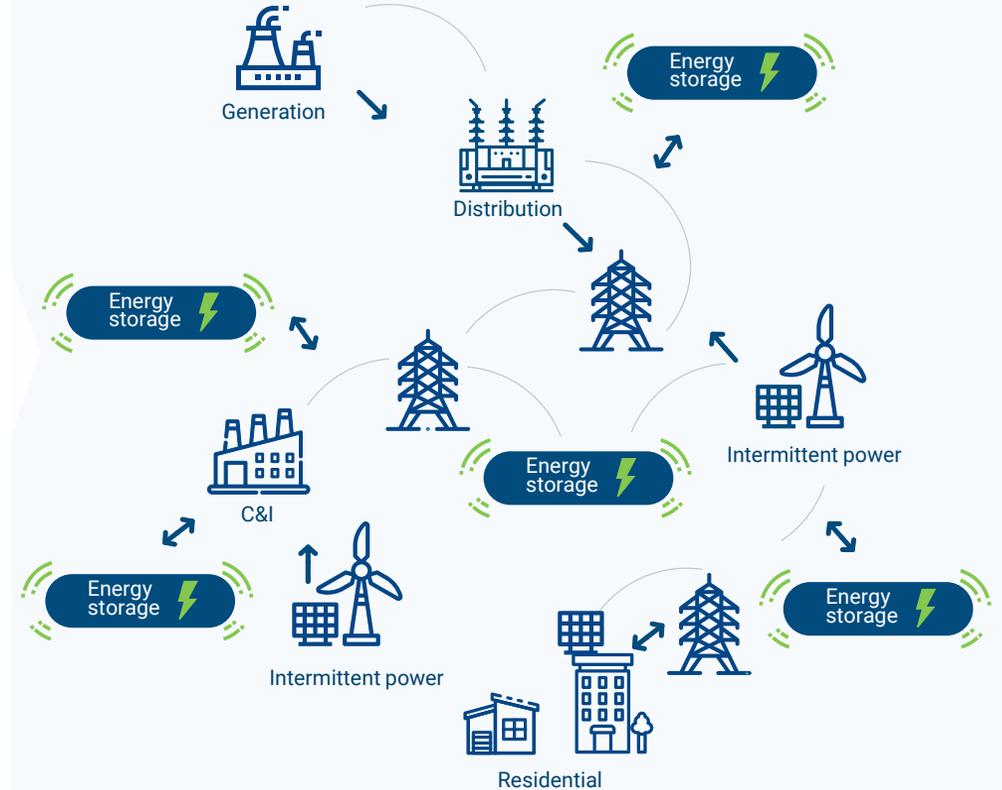


Bulk energy
& Longer duration

Yesterday: Centralized power & storage



Today & tomorrow: Clean, local power & distributed storage

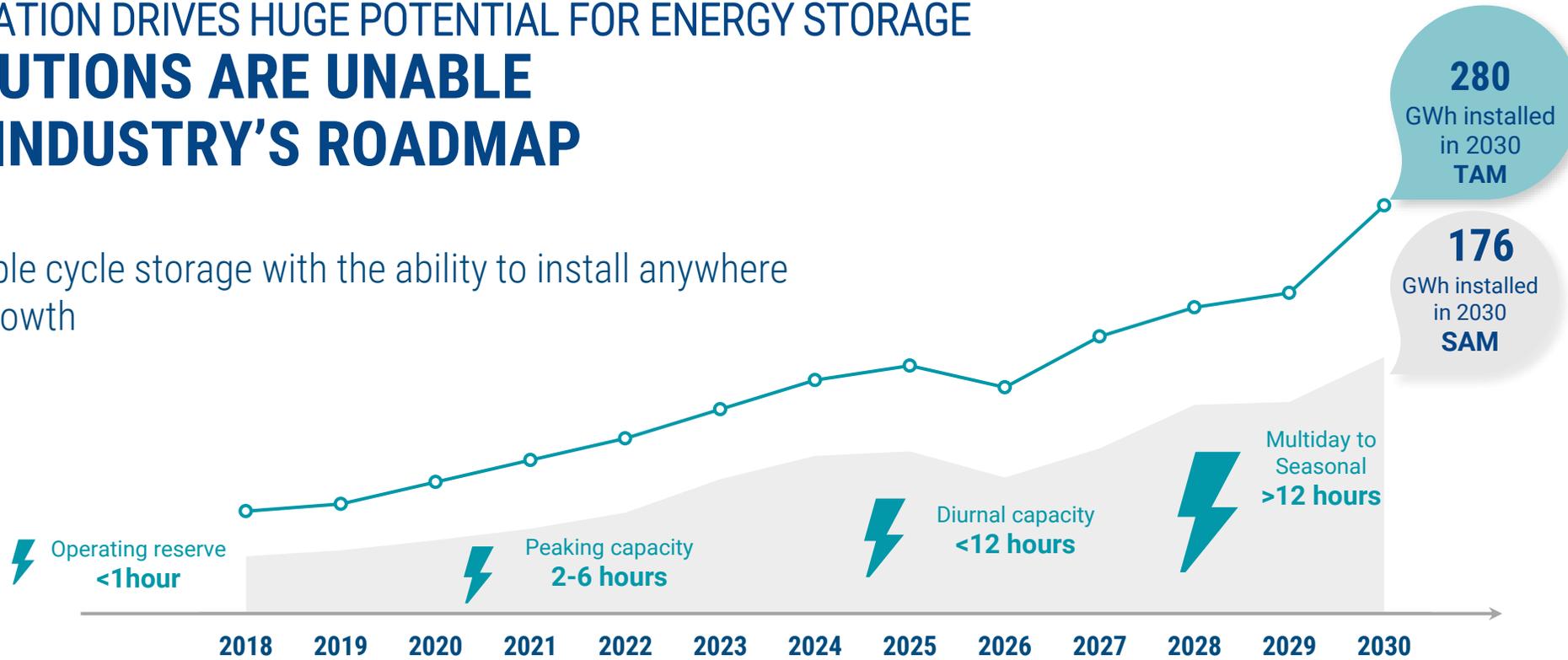


THE MARKET TRANSFORMATION DRIVES HUGE POTENTIAL FOR ENERGY STORAGE YET, TODAY'S SOLUTIONS ARE UNABLE TO SUPPORT THE INDUSTRY'S ROADMAP

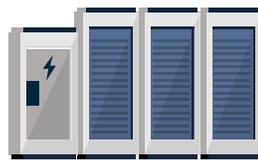
Low-cost, long-duration, multiple cycle storage with the ability to install anywhere are key to strong renewable growth

Global annual energy storage deployments (GWh)

Industry's roadmap



Today's solutions:



Electrochemical

Economically max out at 4-6 hrs., degradation limits cycles & lifespan



Mechanical

High Capex & complexity, unable to support distributed storage

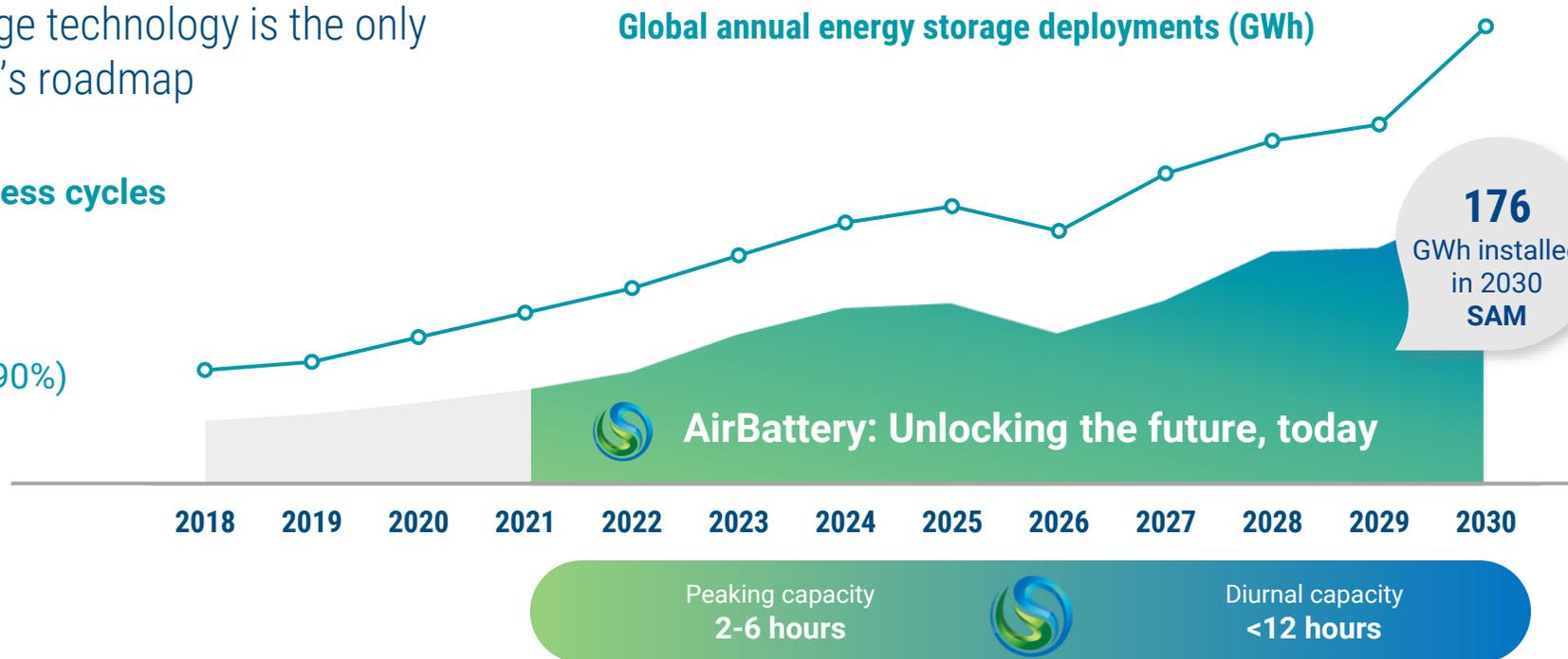
Source: (1) U.S. DoE (2) NREL, [The Four Phases of Storage Deployment: A Framework for the Expanding Role of Storage in the U.S. Power System](#), hours in the chart refers to discharge duration.

TAM – Total Addressable Market, SAM- Serviceable Addressable Market, excluding storage for residential EV and Motive

INTRODUCING AUGWIND'S AirBattery: A REVOLUTION IN ENERGY STORAGE

Augwind's innovative energy storage technology is the only solution that supports the industry's roadmap

- + Longer duration 2-12 hr+ and limitless cycles
- + Scalable 1-1,000 MW and Flexible
- + 75%-81% Efficiency (roadmap to >90%)
- + Cost Competitive < 250\$/kWh
- + Eco-friendly, minimal footprint
- + Avoids risk of mineral scarcity



Source: (1) U.S. DoE (2) NREL, [The Four Phases of Storage Deployment: A Framework for the Expanding Role of Storage in the U.S. Power System](#), hours in the chart refers to discharge duration.
SAM- Serviceable Addressable Market, excluding storage for residential EV and Motive

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The global energy transition:
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OUR DISRUPTIVE SOLUTIONS
Enable the energy efficiency and
renewables transformation

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Our path to achieve
STEEP GROWTH

REVOLUTIONARY APPROACH TO THE ENERGY CHALLENGE

\$8.5B
TAM¹

AirSmart

Streamlining compressor utilization for industrial applications.

Enabling operational continuity through significant power consumption reduction

AirX

Patented technology of underground storage utilizing compressed air at high pressure.

Harnessing the elements for a clean future.



\$70B
TAM²

AirBattery

First of its kind energy storage system based solely on air and water.

Enabling a global shift to renewable energy by providing distributed, sustainable, long-duration energy storage

(1) TAM: Total Addressable Market. Current estimated industrial energy efficiency TAM is based on Company analysis.

(2) Expected AirBattery TAM for 2030 is based on the "Energy Storage Grand Challenge" Market Report by the U.S DoE, December 2020. Assumptions are based on current pricing of \$250/kWh.

AirX INSTALLATION



Polymer tank



Steel frame



Placing



Casting



Completion



Maintenance

AirBattery

DESIGNED FOR SCALABILITY AND DURABILITY



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

Multiple daily cycles
with no degradation



Commercial
& Industrial



Transmission
& Distribution



Peaking capacity
& Energy shifting



Bulk energy
& Longer duration



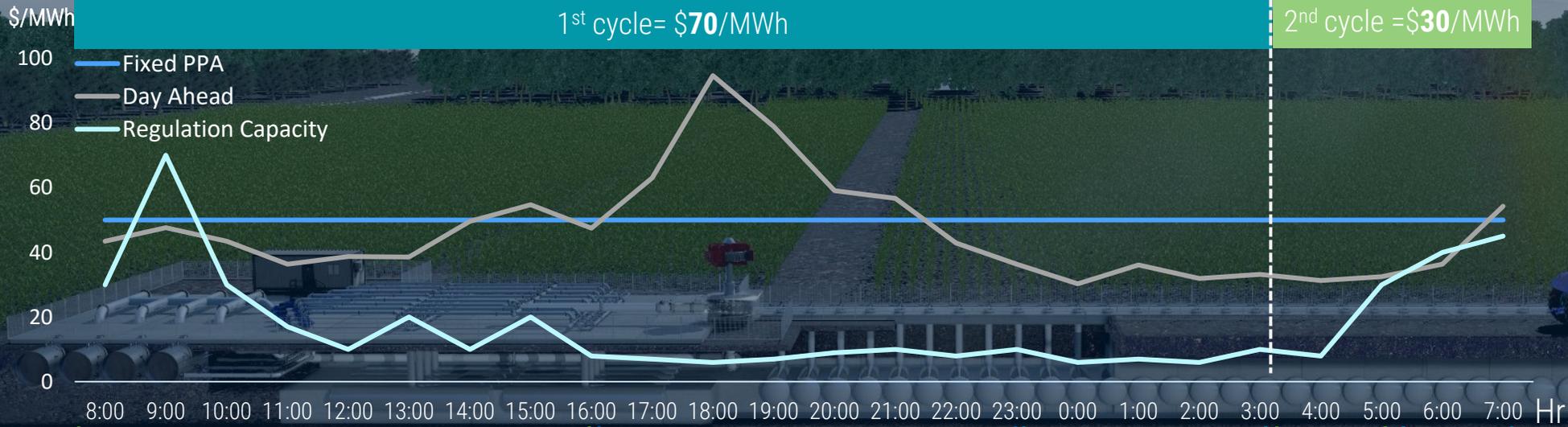
AIR | WATER | EARTH

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

A SINGLE FACILITY TO GENERATE MULTIPLE REVENUE STREAMS



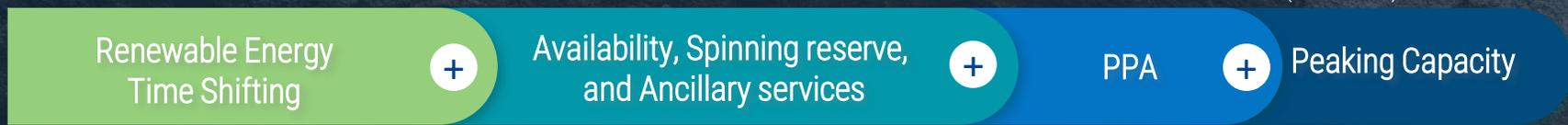
Case Study: ISO New England, USA



>40%
higher revenue potential with 2 cycles



Multiple revenue streams



Source: prices are based on actual prices in ISO New England, USA

AirBattery

THE MOST COST-EFFECTIVE STORAGE TECHNOLOGY FOR SHORT & LONG DURATIONS

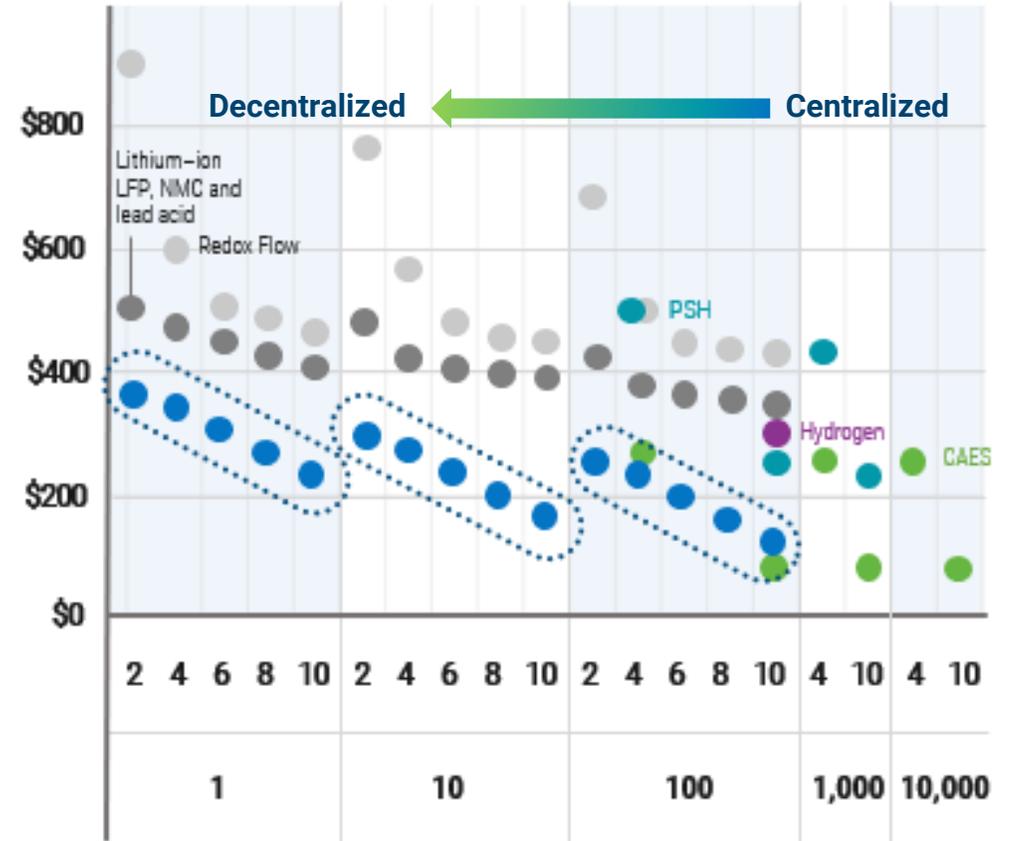
- Electrochemical
 - Lithium-ion LFP, NMC and lead acid
 - Redox Flow
- Mechanical
 - AirBattery
 - CAES
 - PSH
- Future/early stage
 - Hydrogen

Energy

Total installed cost \$/kWh

Duration (hr)

Power (MW)



AirBattery cost declines as duration and power increase

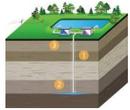
Source: Based on U.S DoE 2020 Grid Energy Storage Technology Cost and Performance Assessment & Company analysis for AirBattery

COMPETITIVE LANDSCAPE: AirBattery IS A GAME-CHANGER



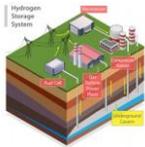
Electrochemical

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



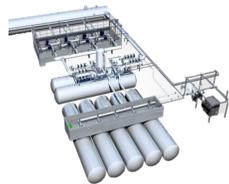
Mechanical

Pumped Hydro; CAES, Gravity



Future / early stage

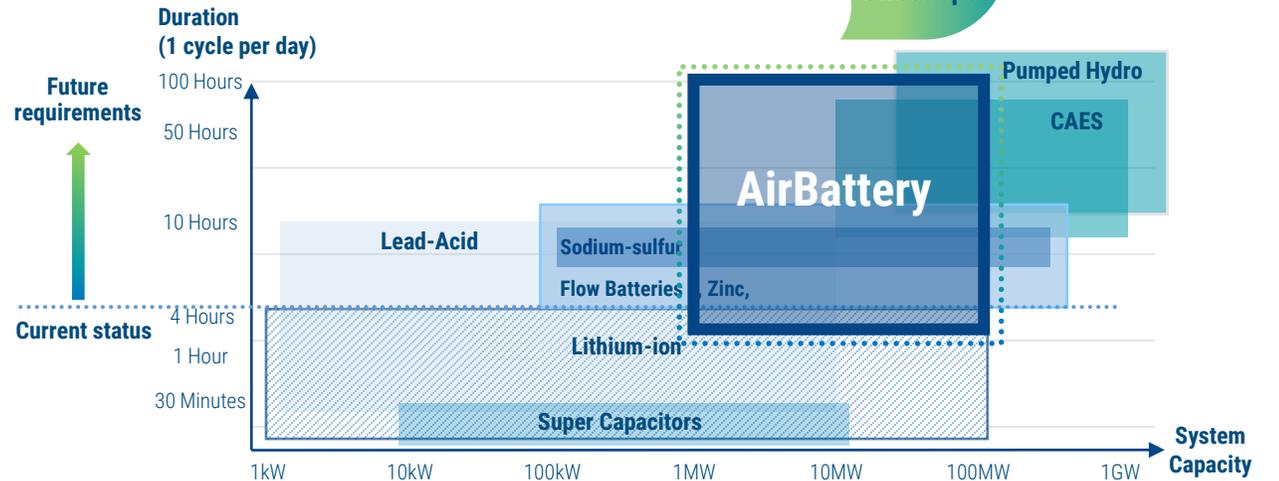
Thermal; liquid-Air; Hydrogen; Magnetic, massless...



AirBattery is a best-of-breed technology,

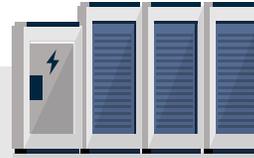
A novel combination of pumped-hydro and compressed air energy storage in a modular, scalable system architecture

Poised for significant market-share gains

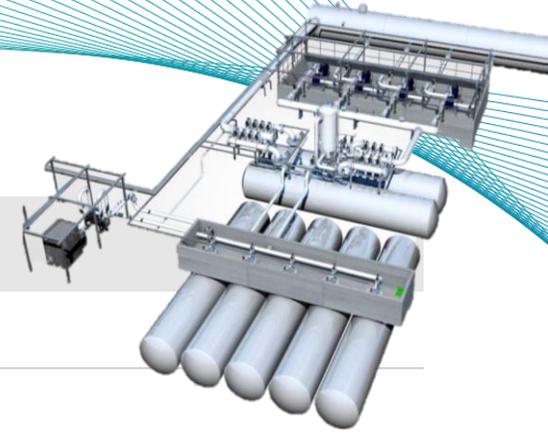


POSITIONED FOR DISRUPTION: AirBattery DELIVERS

Lithium-ion



AirBattery



Life span

12 years/ 4000 cycles

Over 40 years/ unlimited cycles

Storage system cost*

\$250 / kWh

Cost Competitive < \$250/kWh

Efficiency

87-90%

75-81% (Roadmap to >90%)

Discharge & storage duration

Up to 4 hours (techno-economically)

Significantly longer duration

OpEx
(including parasitic electricity)

High

Low

Response time

Fast, m/s

Medium, about 10 seconds (w/o extra capacitors)
Fast, m/s (with extra capacitor)

Safety

Flammable, contains chemicals

Closed-circle water, air, soil

Ecology

Complex life-cycle, toxic,

Key raw materials

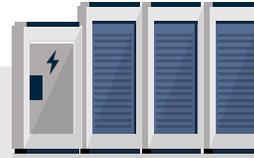
Lithium, cobalt, nickel, massive water

Standard construction materials

Supply chain

Availability depends on supply and markets

POSITIONED FOR DISRUPTION: AirBattery DELIVERS

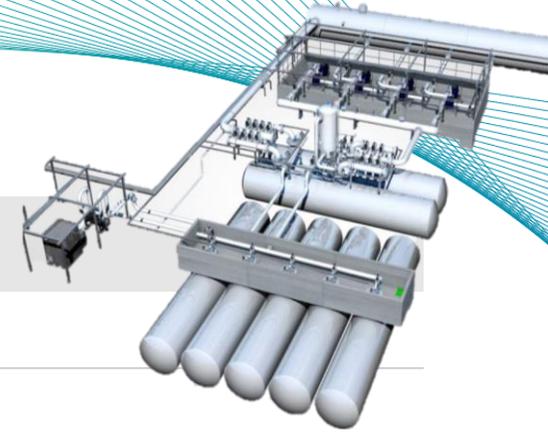


Lithium-ion

Life span	12 years/ 4000 cycles
Storage system cost*	\$250 / kWh
Efficiency	87-90%
Discharge & storage duration	Up to 4 hours (techno-economically)
OpEx (including parasitic electricity)	High
Response time	Fast, m/s
Safety	Flammable, contains chemicals
Ecology	Complex life-cycle, toxic,
Key raw materials	Lithium, cobalt, nickel, massive water
Supply chain	Availability depends on supply and markets

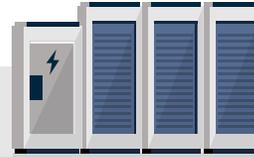
AirBattery

Life span	Over 40 years/ unlimited cycles
Storage system cost*	Cost Competitive < \$250/kWh
Efficiency	75-81% (Roadmap to >90%)
Discharge & storage duration	Significantly longer duration
OpEx	Low
Response time	Medium, about 10 seconds (w/o extra capacitors) Fast, m/s (with extra capacitor)
Safety	Closed-circle water, air, soil
Ecology	
Key raw materials	Standard construction materials
Supply chain	

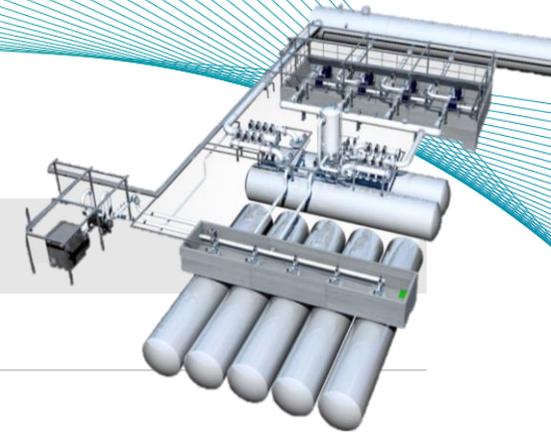


POSITIONED FOR DISRUPTION: AirBattery DELIVERS

Lithium-ion



AirBattery



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12 years/ 4000 cycles

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Complex life-cycle, toxic,

Key raw materials

Lithium, cobalt, nickel, massive water

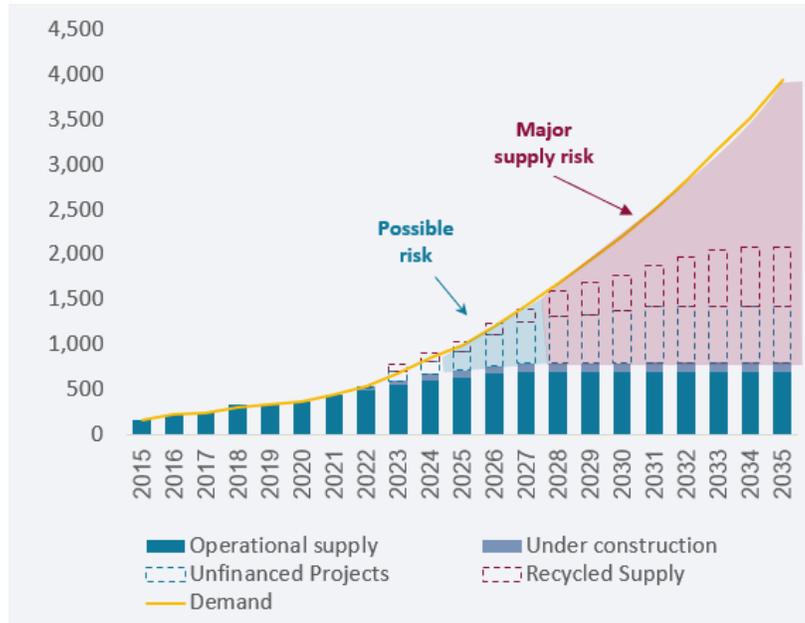
Standard construction materials

Supply chain

Availability depends on supply and markets

LITHIUM-ION LIMITATIONS CHALLENGE THE MARKET TRANSITION TO RENEWABLES

Lithium supply at risk starting 2025



TASC Consultancy estimates, Feb. 2021³

* Sourced: (1) Market Report by the U.S DoE, December 2020:

EV for transportation: 5x demand increase by 2030¹



The U.S. is facing a lithium-ion battery shortage as electric vehicle production ramps up

PUBLISHED THU, APR 8, 2021



...in 2030, the market could require 2,500 GWh of capacity. The five biggest battery makers together had 350GWh of capacity at the end of 2020...

Q2 2021 EQUITY MARKET OUTLOOK



Lithium prices continue to soar – up 88% in 2021

MARCH 15, 2021



LITHIUM-ION LIMITATIONS CHALLENGE THE MARKET TRANSITION TO RENEWABLES



Supply chain stability?

China is the world's Lithium battery supplier:

- 80% of raw mineral refining
- 77% of battery cell production
- 60% of battery component production



Environmentally friendly?

- Water and land pollution
- High water consumption in extraction
- Recycling is limited

”

..Production of raw materials like lithium, cobalt and nickel that are essential to these technologies are often ruinous to land, water, wildlife and people...

PUBLISHED MAY 6, 2021

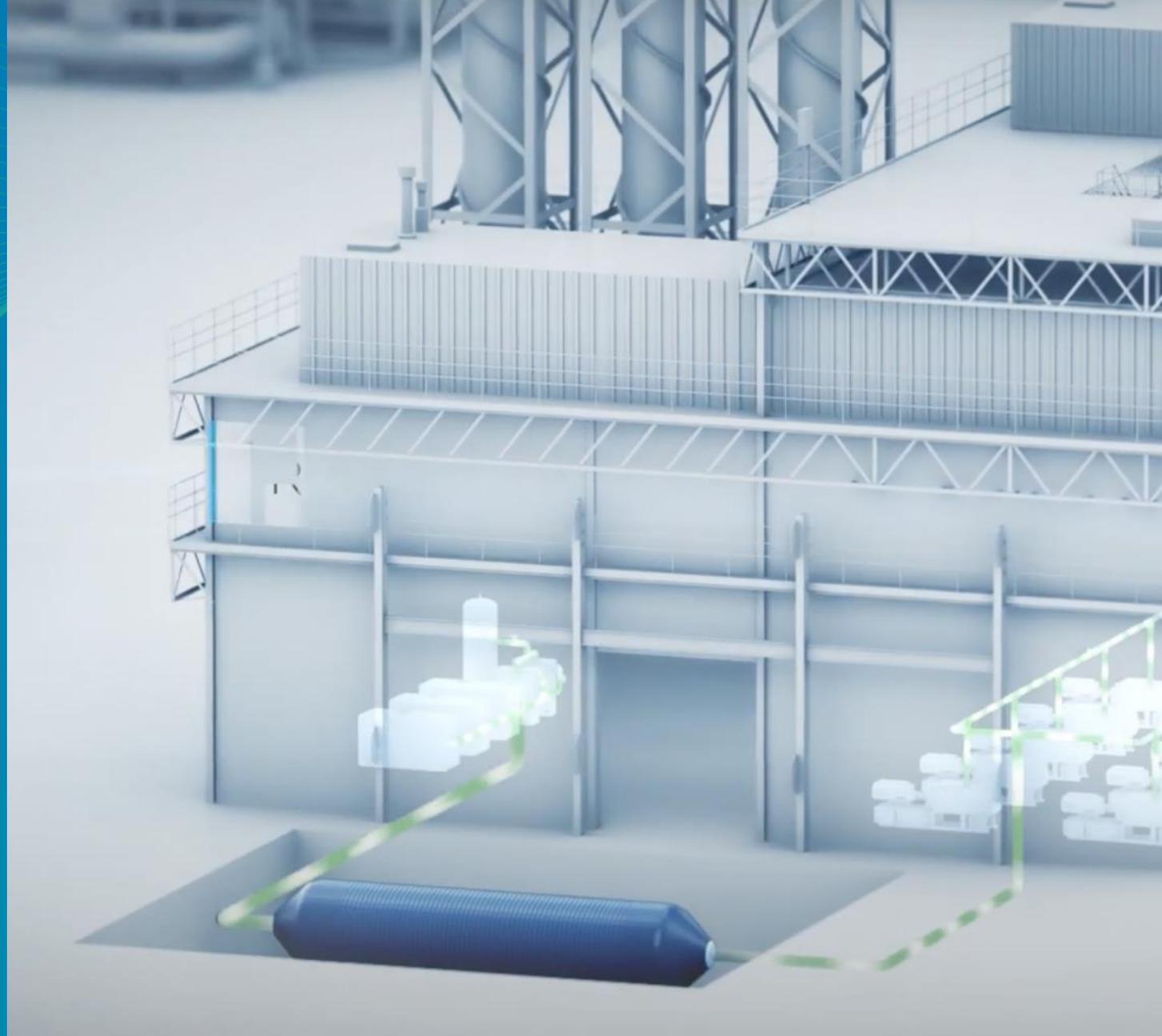
The New York Times

* Sourced: ICCT. Lithium Mine - Carbonate from Evaporation Ponds Mined in Nevada Desert - Shallow Depth of Field

AirSmart

ENABLING OPERATIONAL
CONTINUITY THROUGH
SIGNIFICANT POWER
CONSUMPTION REDUCTION

Select customers and projects:



AirSmart ENERGY EFFICIENCY

Compressed air systems are one of the most inefficient systems used in industry, with **10%-15% overall efficiency**. Yet, they're widely used across sectors.

Augwind's solution can **save up to 40%** of power consumption to an air delivery system.

48

Units installed
in Israel

2

Units to start
construction in
the US by Q3 21

10M+

kWh saved

5%
Efficiency improvement
of air-compressors
global consumption

=

35 million
Tons of CO2
emissions savings
per year

~

7 million
Passenger vehicles
driven for
one year

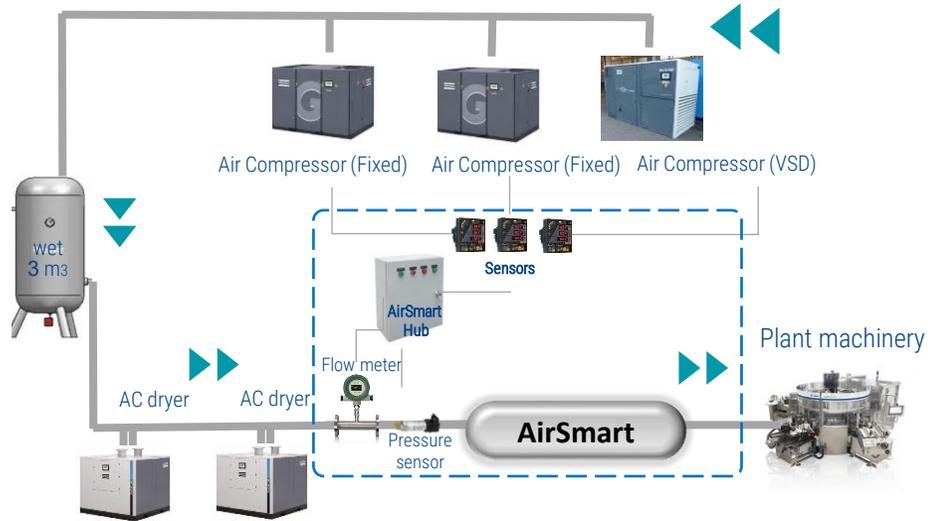
Source: EPA



AirSmart

Secure production continuity, reduce costs AND improve performance, WITH zero footprint

Flow Chart



Case Study : Cement Producer

Energy efficiency

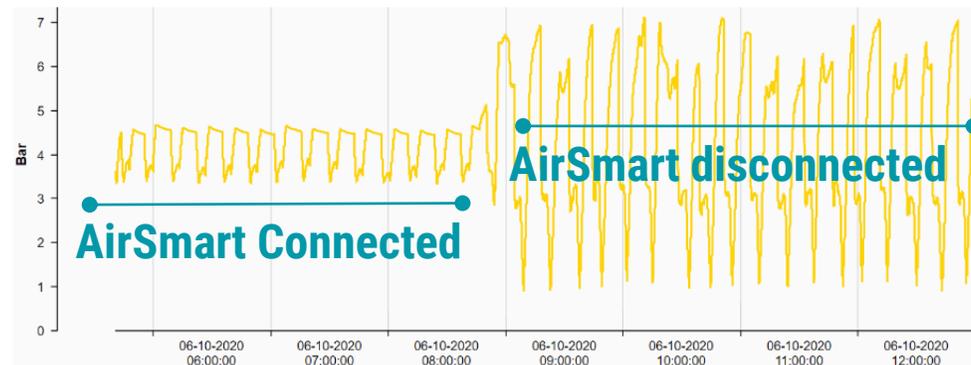
- 35% energy savings ~\$300K a year
- 2,400,000 kWh saving ~ 550 tons of CO₂ savings
- Average Horsepower reduction – 480

Process efficiency

- Reduction of artificial demand by 15%
- Pressure reduction from 7.5 to 4.5 Bar

Process stabilization

- Zero pressure drops
- Improve up-time to 100%



AirSmart

SECURE PRODUCTION CONTINUITY, REDUCE COSTS AND IMPROVE PERFORMANCE, WITH ZERO FOOTPRINT

Reduce operational costs

Save up to 40% in power consumption

Reduce compressor maintenance costs

Mechanical longevity

Motor runs on the best efficiency curve, improving MTBF significantly

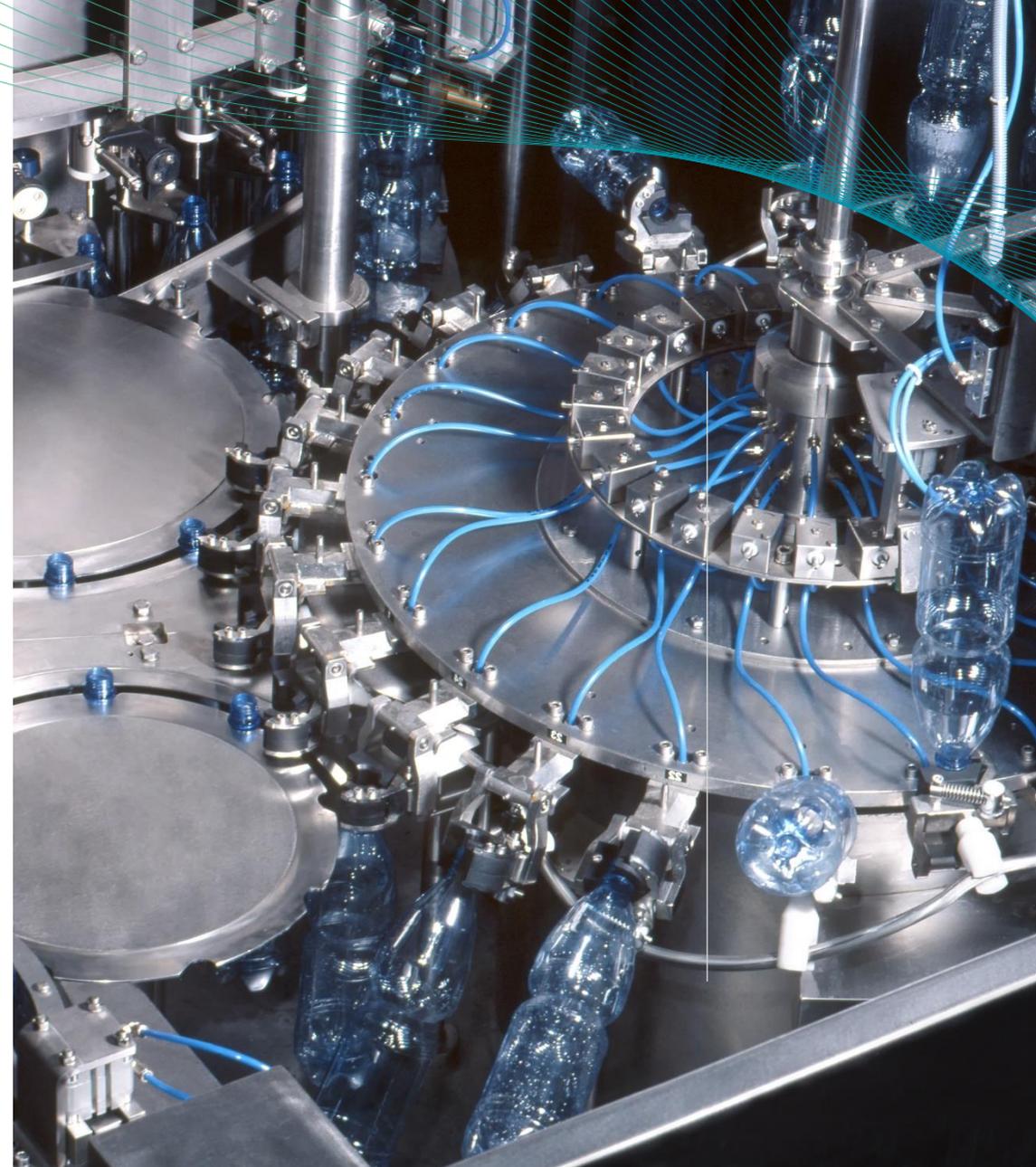
Save valuable space with

Underground installation

Safer than above-ground containers

Fortified by design, no hazards

Certified, safely stores up to 600PSI



1

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AirSmart STRONG MARKET OPPORTUNITY IN LEADING INDUSTRIES

Key Industries



Market Opportunity



Global cost savings potential from air compressors

Industrial consumption of top 20 countries, assuming 17% energy savings by 50% of industrial factories

First Tier Markets



Current estimated market size of key industries in each region

(1) TAM: Total addressable market, SAM: Serviceable Addressable Market; Current estimated industrial energy efficiency TAM and SAM are based on Company analysis

AirSmart BUSINESS MODEL

CapEx Business Model

Revenue streams:

System sale
O&M services (10-15 years)

Typical deal size:

\$250k-\$350k
O&M: \$80k (10-15 years)

OpEx Business Model

Revenue streams:

Shared savings (15 years)

Typical deal size:

\$1.0M-\$1.25M



Expecting hundreds of installations over the coming years



Steel



Chemical & Petroleum



Cement



Plastic



Glass



Paper & Pulp



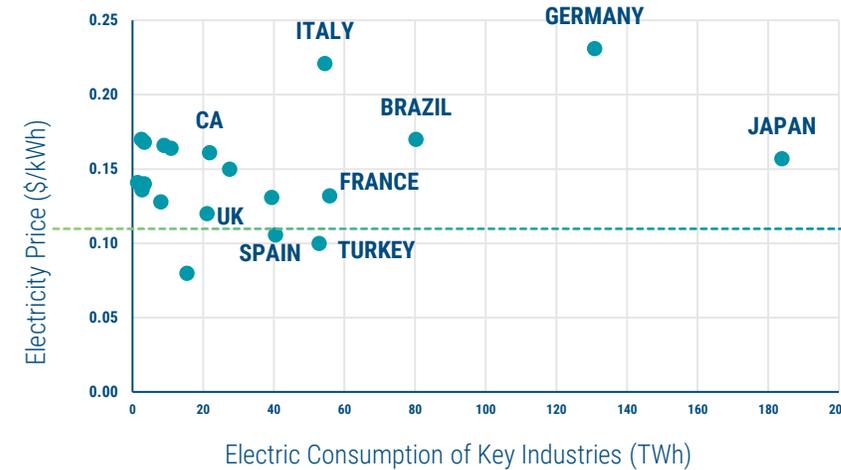
Automotive



Food & Beverages

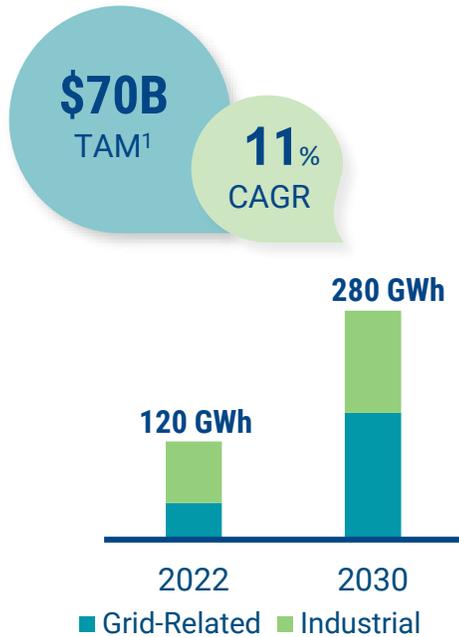


Prioritizing key geographies

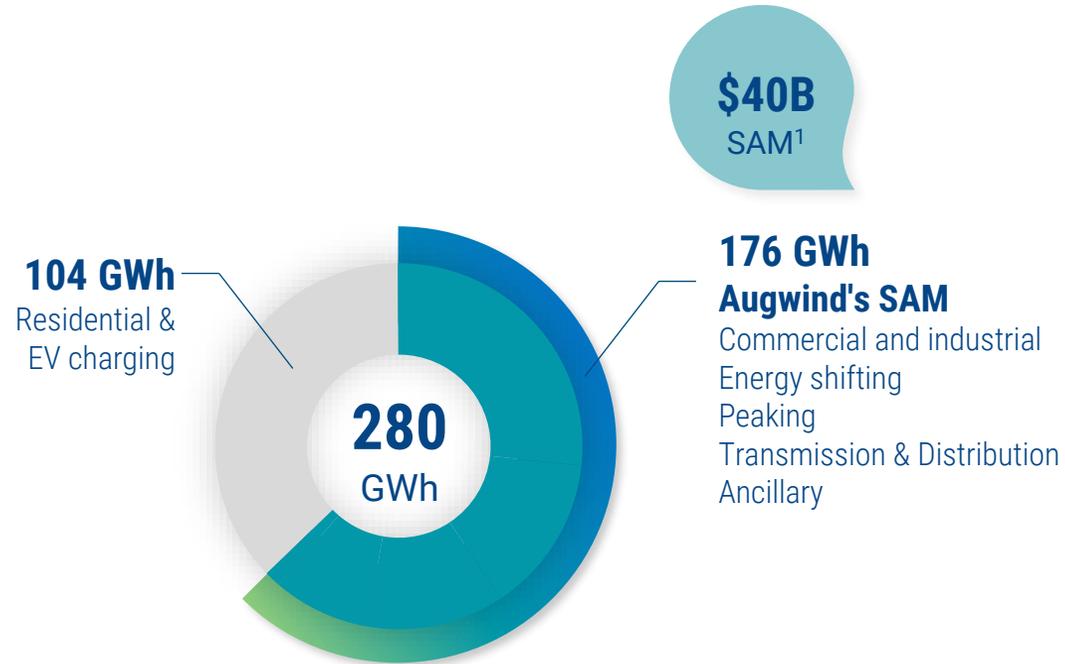


TREMENDOUS MARKET OPPORTUNITY FOR AirBattery

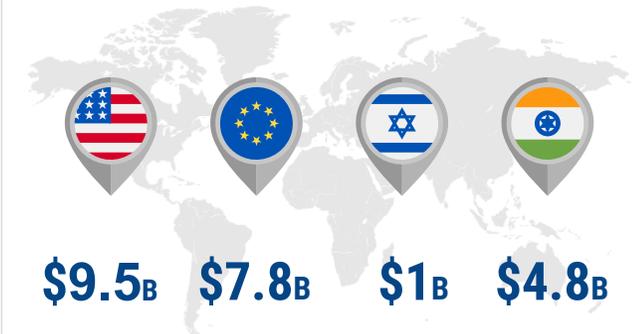
Global Stationary Storage Market



Servable Addressable Market



2030 SAM in Select Geographies



(1)TAM: Total addressable market, SAM: Serviceable Addressable Market; Expected TAM and SAM for 2030 estimates are based on the "Energy Storage Grand Challenge" Market Report by the U.S DoE, December 2020
Israel SAM for 2030 is based on Israel's Ministry of Energy market report, April 2021. Assumptions are based on current pricing of \$250/kWh

AirBattery: RECURRING REVENUE BUSINESS MODEL CREATES PREDICTABILITY

CapEx Business Model

Revenue streams:

System sale
O&M services (20 years)
Future: Storage management system

Equity Business Model

Equity : between 10% and 25%

Revenue streams:

System sale
Recurring revenues (20 years)
O&M services (20 years)
Equity gains (20 years)

Market Focus

Commercial and industrial (Behind the meter),
Energy shifting (Co-location), Peaking,
Transmission & Distribution and, Ancillary

Types of Partners & Customers



Channels

Developers and EPC contractors through direct sales and JVs

Customer Segmentation

Developers, Utilities, C&I

AirBattery: RECURRING REVENUE BUSINESS MODEL CREATES PREDICTABILITY

Example: 3 Types of Revenue Streams

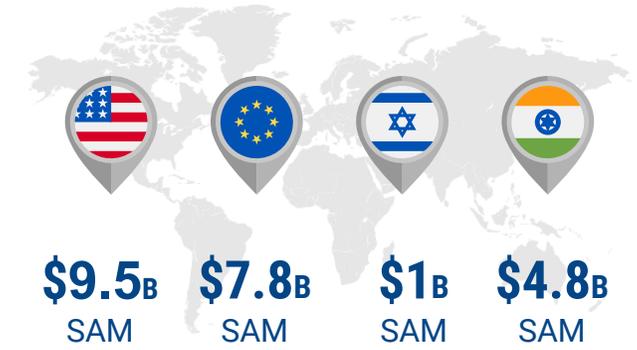
20MW/80MWh project

- | | | |
|---|--------------------------|---|
| 1 | CapEx | Typical deal size:
\$18M-\$22M |
| 2 | Equity - 1 cycle | Typical deal size:
\$18M-\$22M
Plus \$0.5M- \$0.8M ARR (20 years) |
| 3 | Equity - 2 cycles | Typical project size:
\$18M-\$22M
Plus \$0.6M - \$1.0M ARR (20 years) |

Example-Notes:

- Deal/projects size is based on project's configurations
- Augwind's share in the equity ranges between 10% and 25%
- ARR (Annual Recurring Revenue) for 1 cycle or 2 cycles are based on a combined energy rate of \$70/MWh / \$100/MWh, respectively, and additional revenues from O&M services

\$40B
Global SAM
Tremendous market opportunity
Expected in 2030



Expecting significant growth in C&I applications



Data centers



Industrial factories

TECHNOLOGY ROADMAP

Product improvements to maintain competitive edge

System cost reduction

Increase energy density by increasing AirX operating pressure

Target > 90% efficiency

Increased durability & efficiency of Charge cycle
Improving discharge efficiency and longevity

Product development to expand our offering

Support 24/7 monetization

Develop energy management system to maximise profitability of existing AirBattery and AirSmart based facilities

Future products

Support additional energy efficiency applications

REVISED GO-TO-MARKET STRATEGY



Establish revised organization structure to support globalization and steep growth over the next several years:

- Globally increase headcount in areas defined as company core competencies
- Significantly strengthen company HQ as source of knowledge and methodology
- Establish fully function regional subsidiaries: sales, marketing, support, operations, legal, finance and HR
- Sign agreements with local engineering companies
- Combine direct and channel sales in the sales process; provide strong support to channels to broaden market reach



Establish collaborations with major energy developers to leverage unique value proposition



Support growth with cash on hand, project financing and capital raises



ENABLING A **CARBON FREE FUTURE**

Large, addressable market with strong tailwinds

Energy storage market is on the verge of disruption

Augwind offers significant technical and commercial advantages

Enabling the transition to a carbon free future

Organizational scale-up to support aggressive business plan

Experienced leadership team to deliver steep growth



HARNESSING THE ELEMENTS FOR A CLEAN FUTURE

Thank you!

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