

A large agricultural drone with multiple rotors and a central payload is flying over a green field. In the background, several wind turbines are visible against a cloudy sky. Another smaller drone is visible in the distance to the right.

Project Wheel

June/July 2022

SOLID STATE PLC

TRUSTED TECHNOLOGY FOR DEMANDING ENVIRONMENTS

SOLID STATE PLC PRESENTS:

Project Wheel

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EXECUTIVE TEAM

SOLID STATE PLC
TRUSTED TECHNOLOGY FOR DEMANDING ENVIRONMENTS



GARY
MARSH

Chief Executive Officer



PETER
JAMES

Chief Financial Officer



MATTHEW
RICHARDS

Managing Director
Systems Division



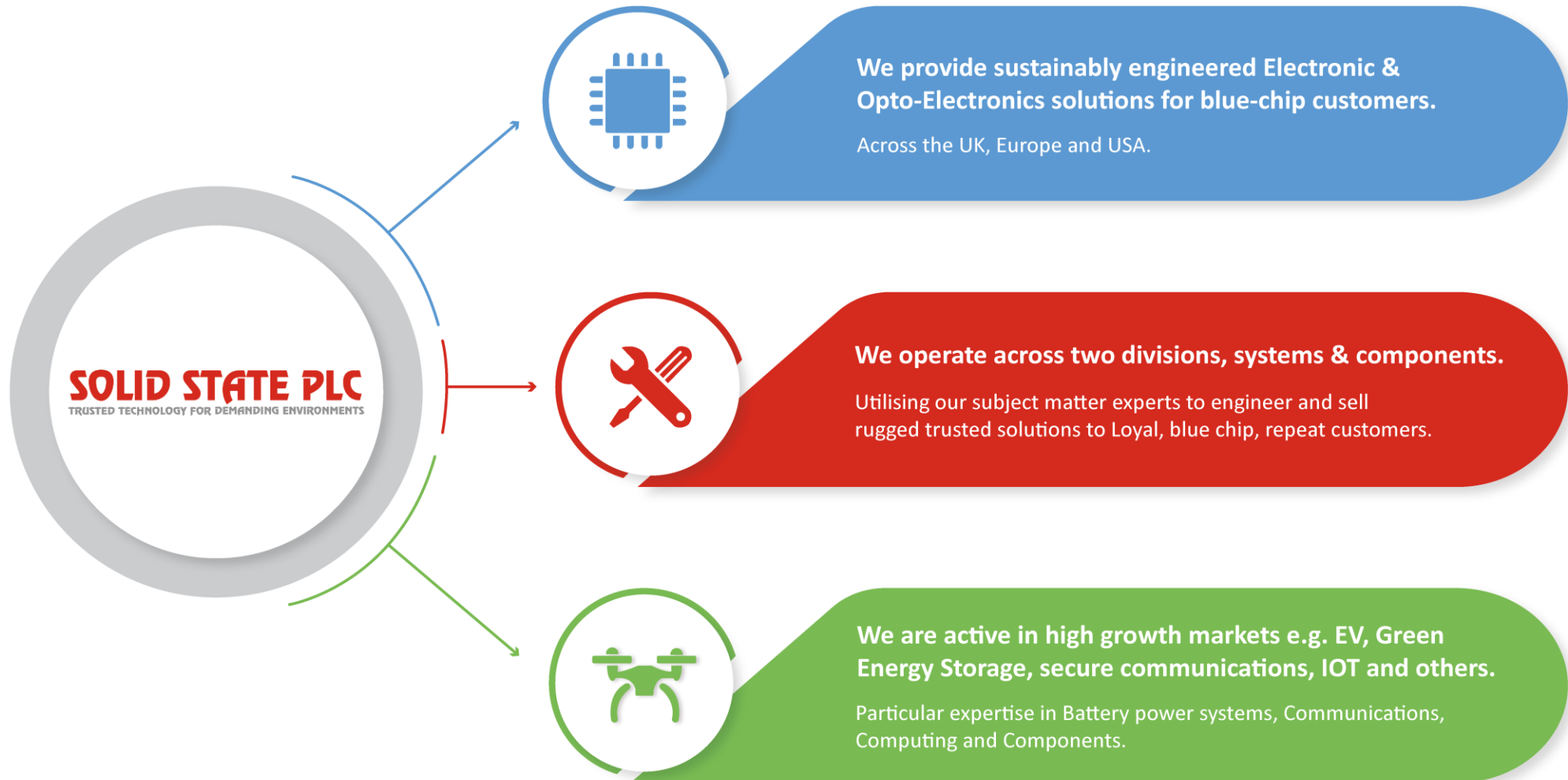
JOHN
MACMICHAEL

Managing Director
Components Division

Introduction to Solid State PLC

Solid State PLC – who are we?

SOLID STATE PLC – DELIVERS TRUSTED TECHNOLOGY FOR DEMANDING ENVIRONMENTS



Our facility locations



International operations
across 12 locations



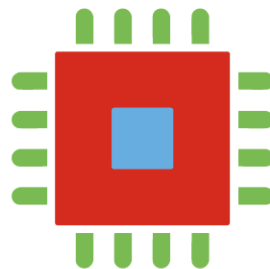
300+ employees

Solid State PLC a profitable and resilient business model

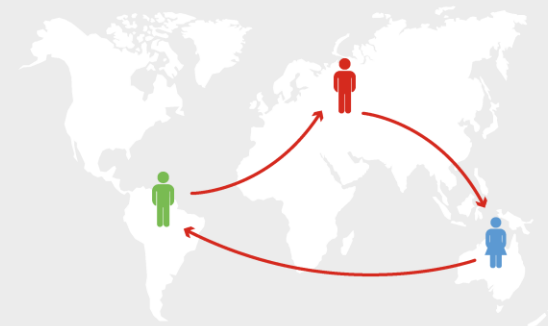
Solid State PLC – supplying specialist engineered systems and value added components.



EXPERIENCE



TECHNOLOGY



CUSTOMERS



RELATIONSHIPS

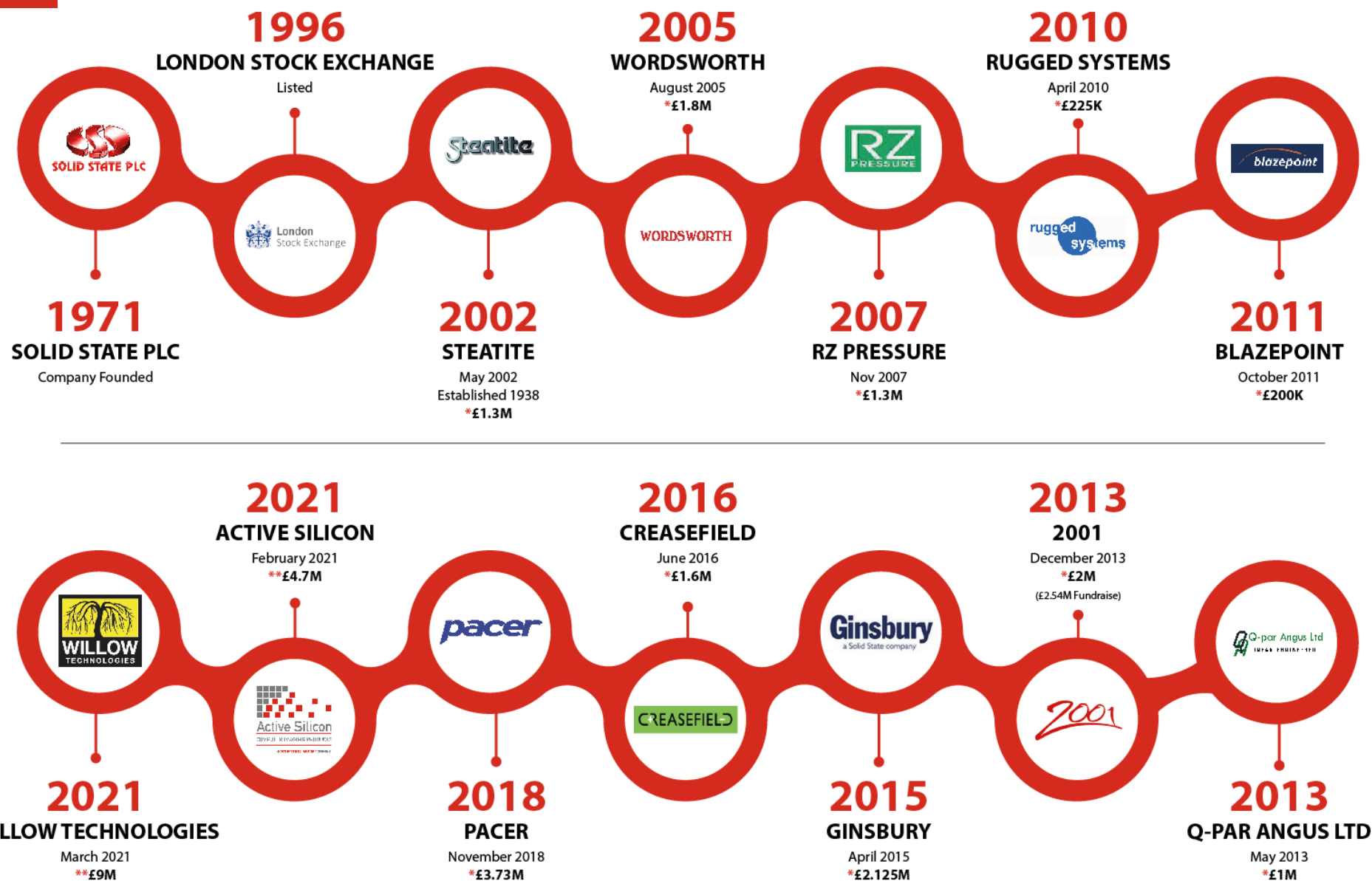


SUPPLIERS



ENGINEERED SOLUTIONS

Group history and strategic acquisitions completed

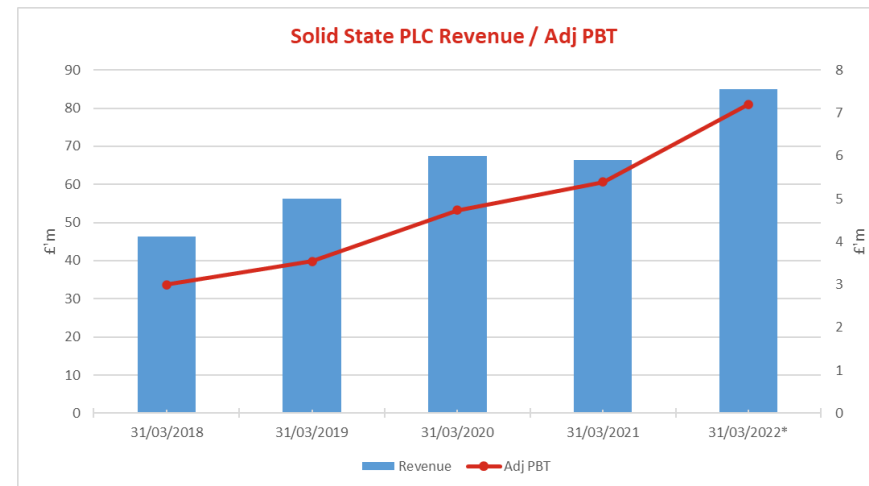


* Level of consideration paid. ** Maximum estimate incl' earnout

Solid State PLC an attractive investment proposition

Solid State PLC – ambition for the next 5 years is to replicate or beat historic performance

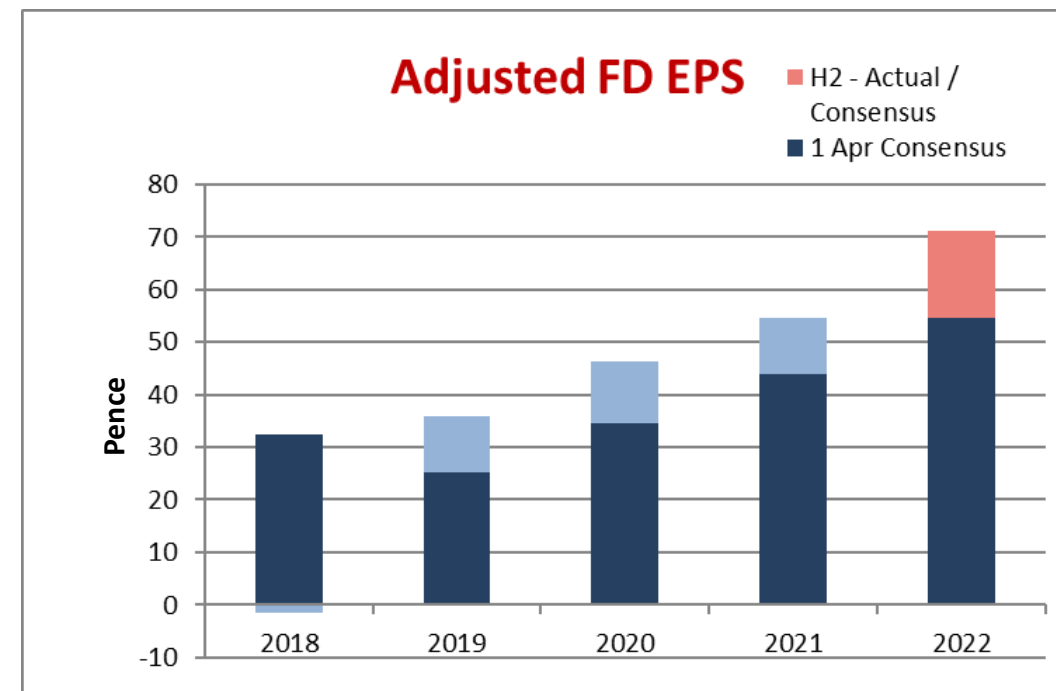
- Solid State PLC – strong growth delivering record financial performance
- The 5 year strategy delivered growth through:
 - investment in organic growth
 - strategic M&A with no dilution
- Historic 4 year CAGR 2018-2022
 - ✓ Revenue = 16.4%
 - ✓ Adj operating profit = 24.8%
 - ✓ Adj operating margins up to 8.6%
 - ✓ Adj FD EPS = 23.2%



Consistent earnings growth & a record orderbook

Significant opportunities - FY23 and beyond

- Cash generation secures progressive dividend.
 - FY22 consensus 19.5p (2021: 16p).
- Market cap ~£80m - £100m - top half of AIM companies.
- Delivering shareholder value through growth & income.
- Prudent management of market expectations
 - Earnings upgrades of in excess of 20% in each of the last four years
 - Caution maintained for FY23 given the macro-economic environment
- Record orderbook has continued to increase post year end to £89.7m as of 31 May 2022



Introduction to the transaction

Project Wheel - transaction overview

Acquisition of Custom Power, a US battery pack manufacturer

- Acquisition of Custom Power, for an initial \$30 million on a debt free cash free basis
- Custom Power:
 - a strategically significant US based Power specialist
 - operating at scale in target growth markets
 - opportunities to leverage internationally
- £15m Placing and up to £1.5m Open Offer
- All Directors intend to participate
- Anticipated timetable:
 - Marketing: 24/27 June – 5 July 2022
 - Finalise book: 6 July 2022
 - ABB : 7 July 2022
 - General meeting : 27 July 2022
 - Admission : 28 July 2022

Consideration: \$30m on completion, \$10m deferred and \$5m earnout

Deal structure

- Acquisition of 100% of the Custom Power LLC membership interests for up to \$45m on a debt free cash free basis
 - Initial consideration \$30m (of which \$1m has been paid in the form of a non refundable deposit)
 - Deferred consideration of \$10m payable in two equal tranches at 6 and 12 months post completion
 - Earn-out consideration of \$5m subject to exceeding a last 12 month revenue performance hurdle of \$37.5m which is assessed at 6, 12 and 18 months post completion
- Funding:
 - Initial consideration funded via placing and open offer. Target fund raising of £15m* and a new £13m term loan
 - Deferred and earn-out consideration funded via Group cash generation and the existing RCF bank facility with Lloyds

*(Should the fund raise be oversubscribed the Board would consider accepting the additional equity at appropriate pricing to optimise the debt / equity funding of this transaction. Any reduction in the level of debt funding for this transaction would provide additional flexibility for future investment opportunities)

Deal metrics

- Custom power is an established, profitable cash generative Battery Pack manufacturer. The sector valuation metric which is consistently available is EV / Revenue
- ~1.2x revenue multiple**
- ~14x PE multiple**

** Based on achieving the earnout revenue targeted performance for first 18 months post acquisition and applying the FY21 actual margins

Enlarged group financing - cash & borrowings impacts post completion

Existing Lloyds Bank facilities

- £7.5m RCF committed until Nov 2023
- £3.0m multi-currency (MC) overdraft

New / updated Project Wheel facilities Proposed to be provided by Lloyds Bank

- £13m term loan with £6.5m repayable over 5 years and £6.5m interest only committed for 3 years
- £7.5m RCF updated and remains in place, committed until November 2023*
- £3.0m multi-currency overdraft, updated and remains in place
- Total aggregate leverage on the above facilities cannot exceed £20.5m*
- 2x \$5m Stand By LOCs providing vendors security in respect of the deferred consideration payable at 6 and 12 months

£'000	Interims 30 Sept 2021	Year end 31 Mar 2022	Mgmt accounts 31-May-2022
Cash	5,323	2,925	1,962
RCF drawn	(2,000)	(1,500)	(4,000)
Net cash/(debt)	3,323	1,425	(2,038)
Deferred contingent consideration ¹	(5,250)	(6,000)	(1,375)
Net cash/(debt) with deferred contingent consideration	(1,927)	(4,575)	(3,413)

All unaudited

Excludes IFRS16 right of use lease liabilities

¹ Deferred contingent consideration is in relation to March 2021 acquisitions of Active Silicon + Willow Technologies

New Project Wheel facilities provided by Lloyds Bank

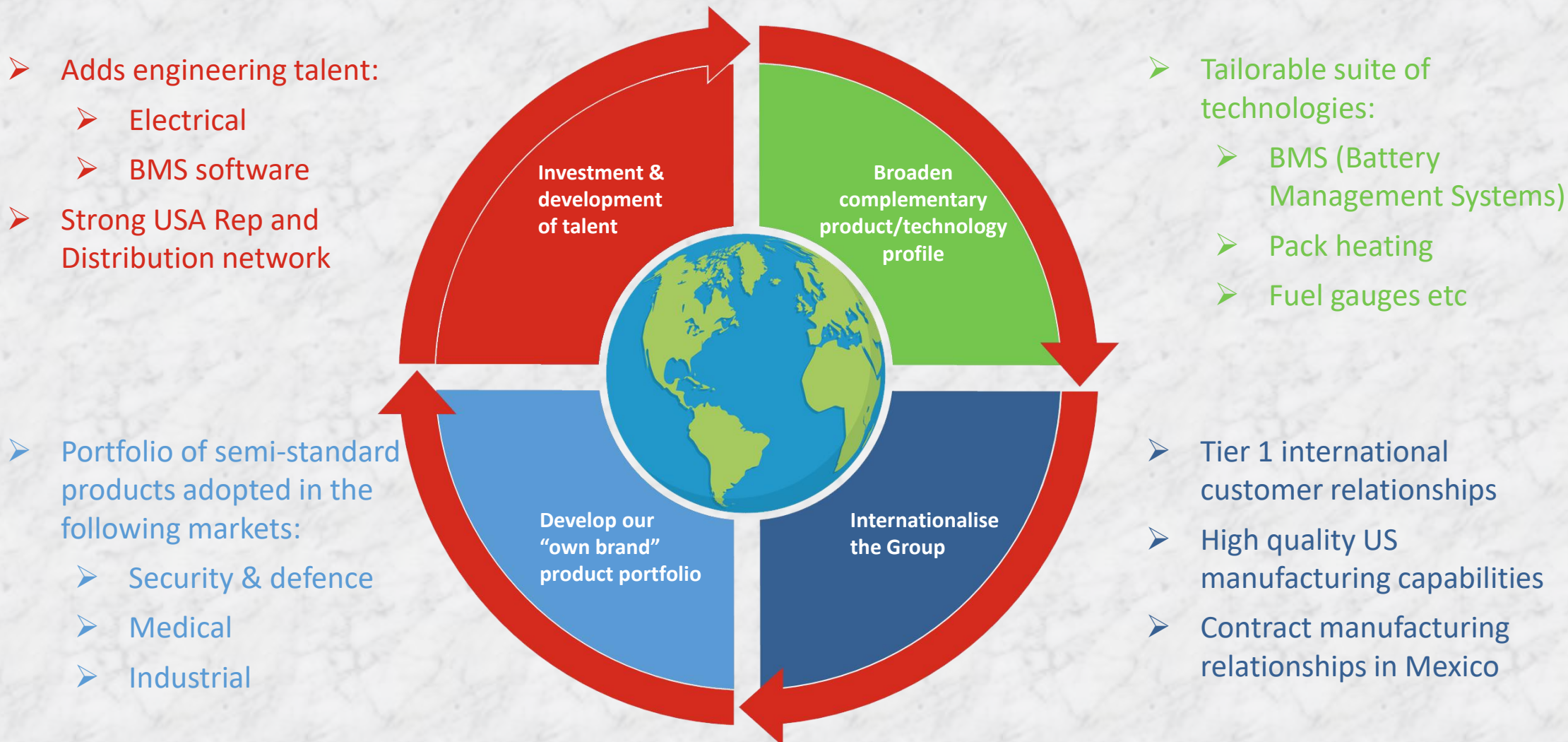
- Covenants reset to be consistent for all facilities
- The Board has the option to reduce the utilisation of the bank facilities and accept more equity should the placing be oversubscribed at an appropriate price in optimising current and future investment funding
- Agreed acquisition price is on a debt free cash free basis

* note: until the final Export Finance UK credit approval is received for the Standby LOCs or the first deferred consideration payment is made we have agreed to reduce the available RCF facility to £6m from the approved facility of £7.5m. This will reduce the maximum aggregate leverage to £19.0m in that period.

Custom Power strategic investment case

Key to accelerating our growth strategy for a sustainable future

Project Wheel – Transformational acquisition - executing on our strategy



Project Wheel differentiates our Power BU with transatlantic presence

Establishes a platform for growth

- Battery market - a high growth sector with strong CAGRs in the markets we are targeting
- Power BU has high growth potential – rapid increase in demand and ability to scale production
- Project Wheel provides a US footprint, with a profitable cash generative business
- The Custom Power brand is a catalyst to drive international expansion*

A highly complementary business and strong cultural fit with the existing group*:

- Custom Power (CP) CEO Mel Weis heads up an experienced leadership team with strong engineering expertise
- CP is complementary to Solid State with many similarities thereby reducing integration risk
 - Consistent business values and principles
 - Comparable operational approach and procedures
 - Aligned commercial approach

* Statement of Directors' belief



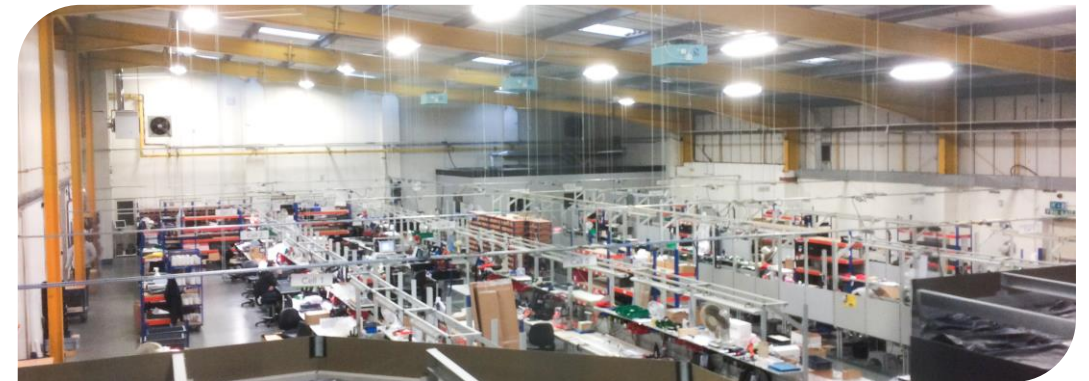
Business strategy, operations and values are aligned*

Experienced team to manage and mitigate integration risk

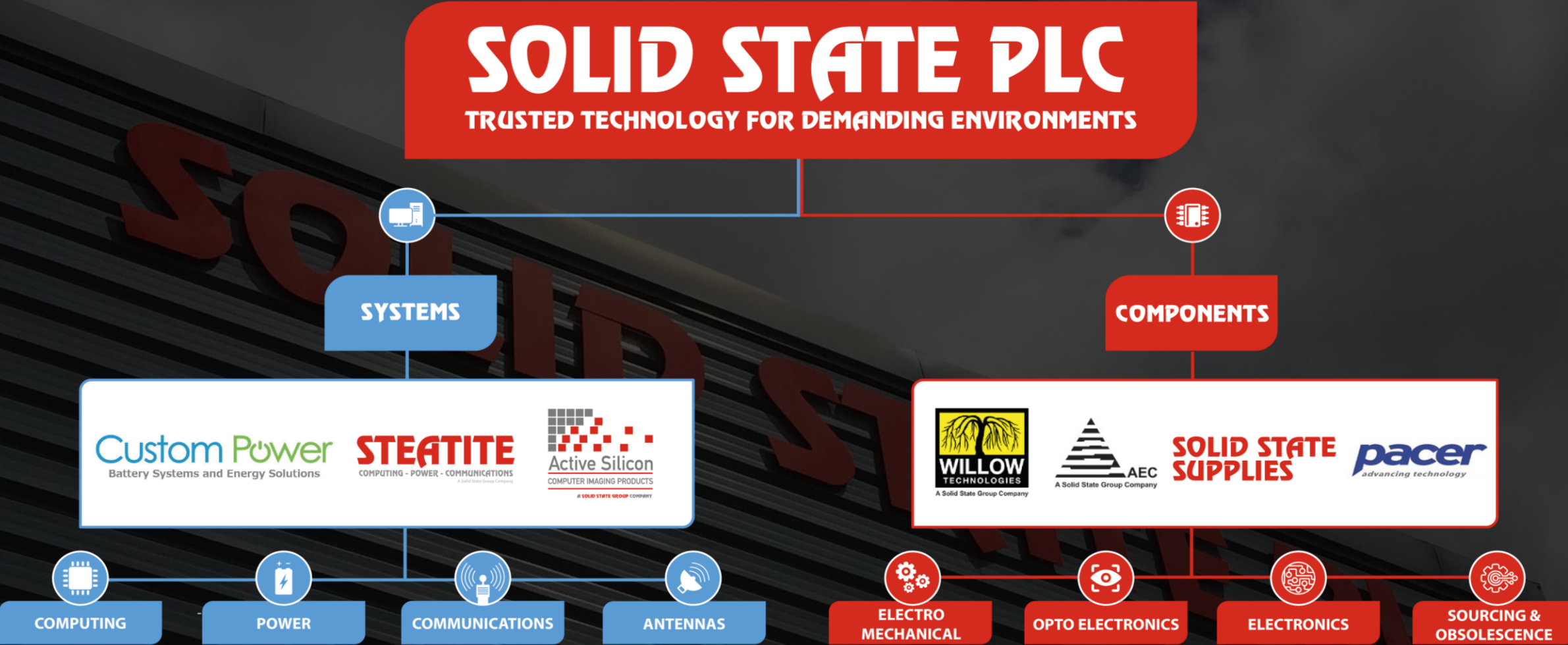
Custom Power – California USA



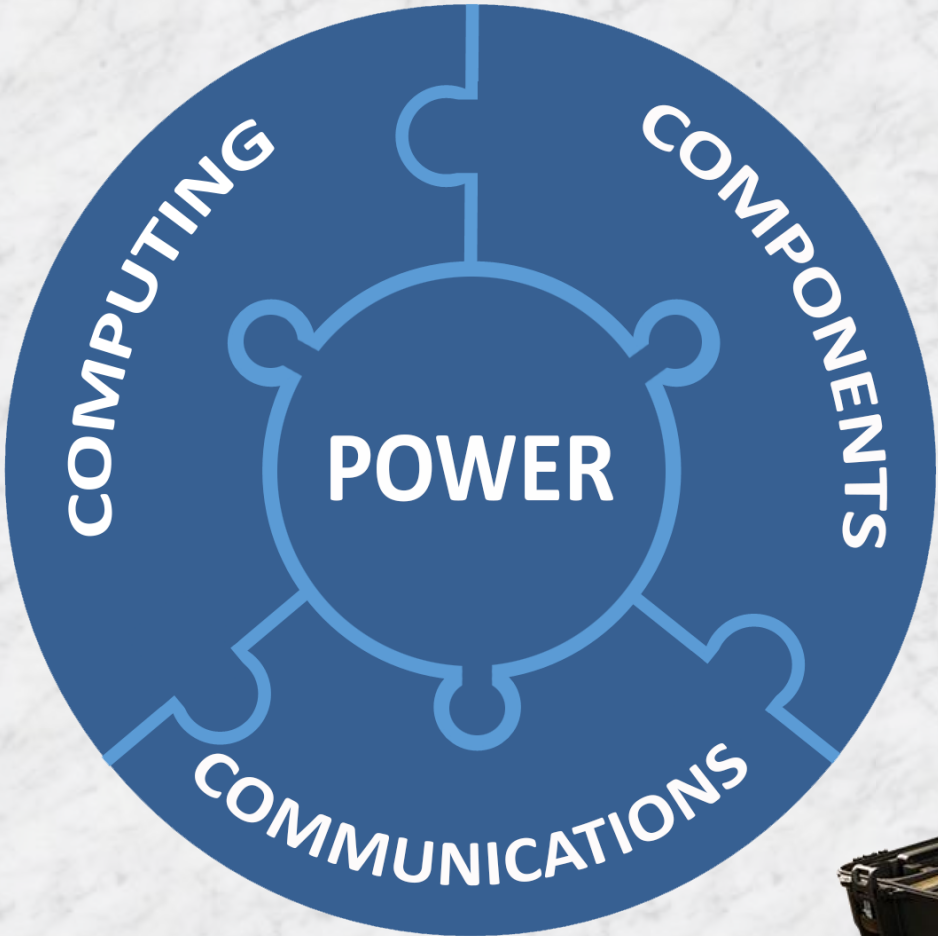
Solid State Plc – Crewkerne UK



Group structure - Custom Power will be included in the Power BU

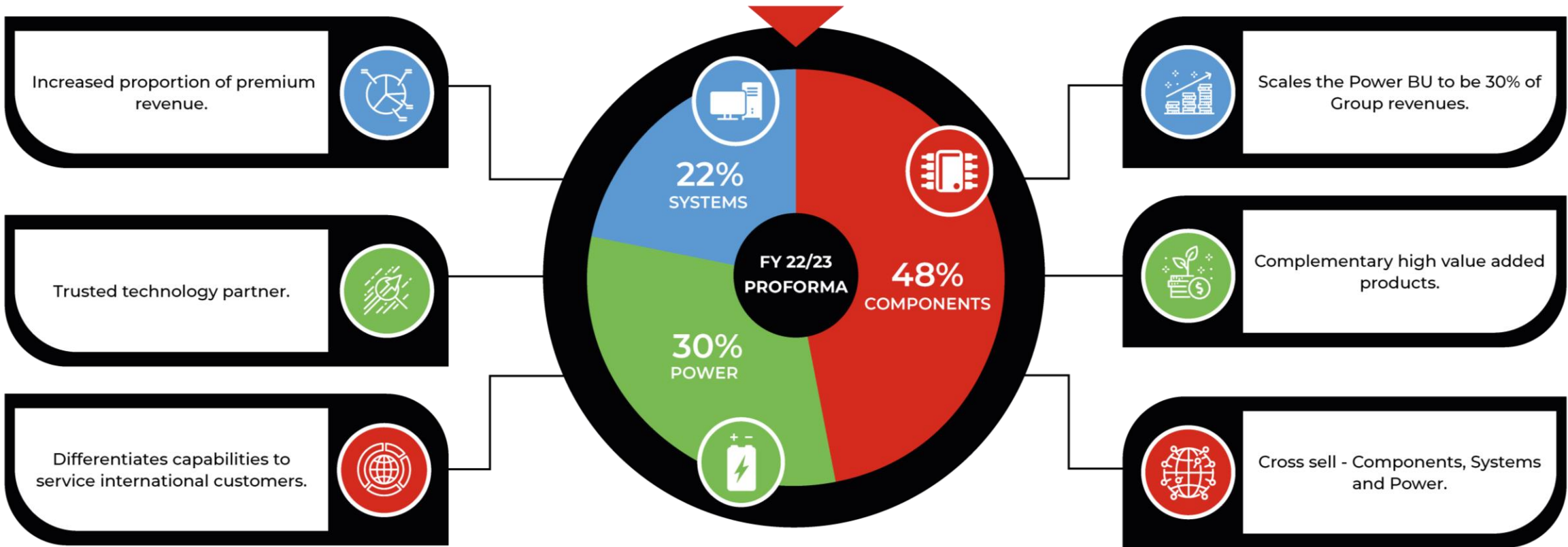


Technology solutions partner for our customers



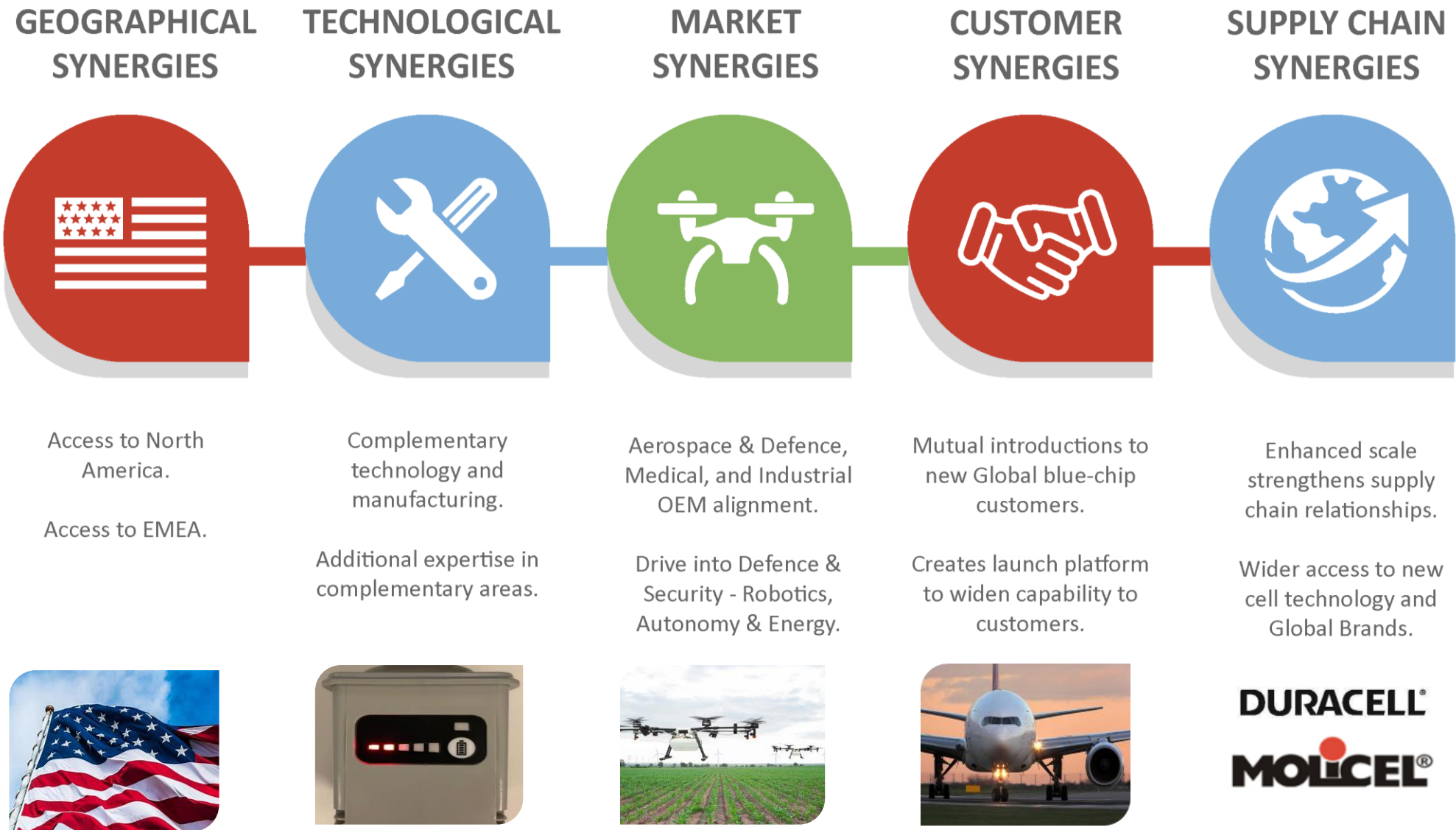
CP scales our Power BU to c. \$40m - \$50m with growth opportunities

ESTIMATED REVENUE SPLIT POST DEAL



*Wheel provides a step function in the Power BU.

5 key synergies from Project Wheel



Custom Power LLC

What are we acquiring?

Profitable, cash generative Battery Pack manufacturer

- **Introduction to Custom Power (“CP”)**
- CP is an established battery pack manufacturer in California, USA
- Ultimately controlled by Private Equity firm Elan Growth Partners
- Business was established 30+ years ago
- Strong historical performance
 - Revenue growth in target markets to ~ \$30m
 - Consistently profitable ~ \$2.5m
 - Strong cash generation
- ~100 employees* with an experienced, stable senior management team
- Single facility of 36,000 sq. ft. with capacity for growth



AEROSPACE & DEFENSE



INDUSTRIAL



MEDICAL

* The employees are made up of approximately 80 full time employees and 20 temporary staff

CP established in complementary high growth markets

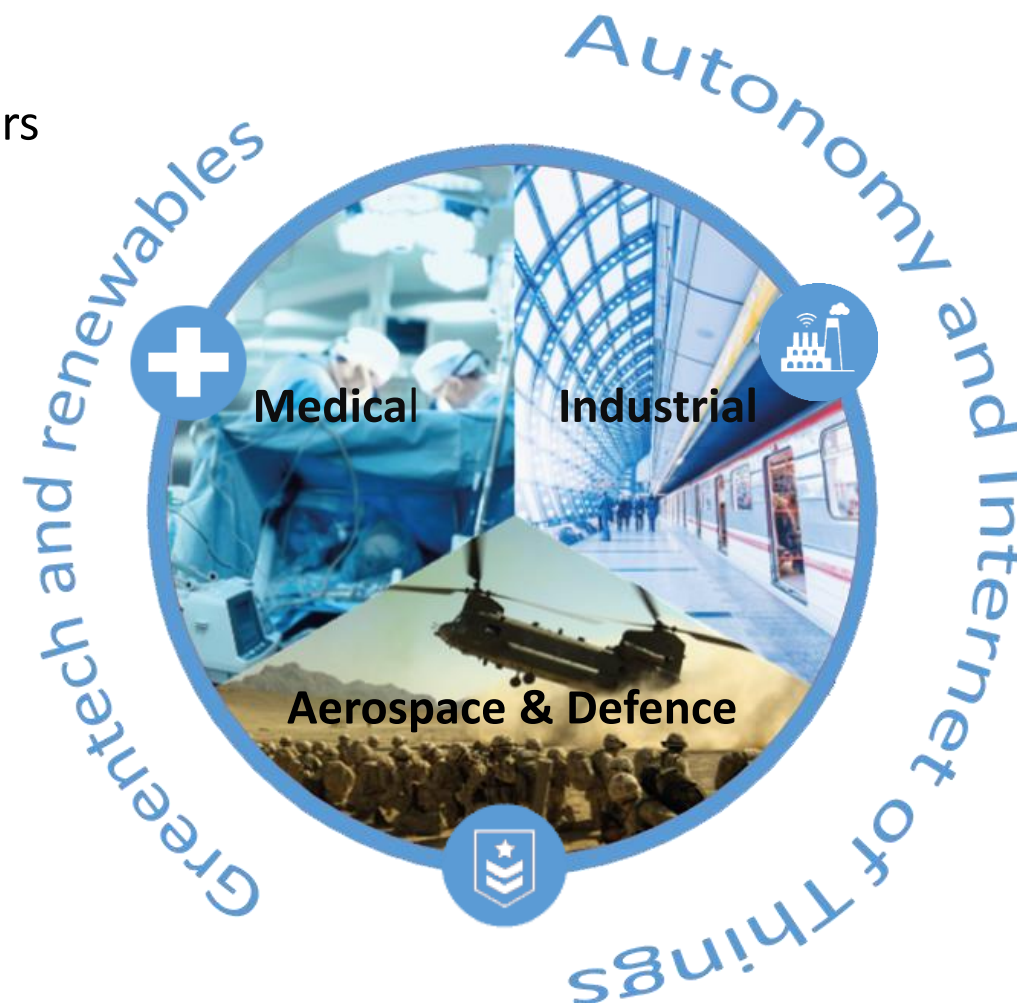
Custom Power provides step change in scale of the Group's Power capabilities

Commercialised profitable products & solutions:

- Established in strategic growth markets with high barriers to entry:
 - Defence;
 - Medical; and
 - Industrial
- Specialist engineered high reliability / performance applications: where size, weight and power matter

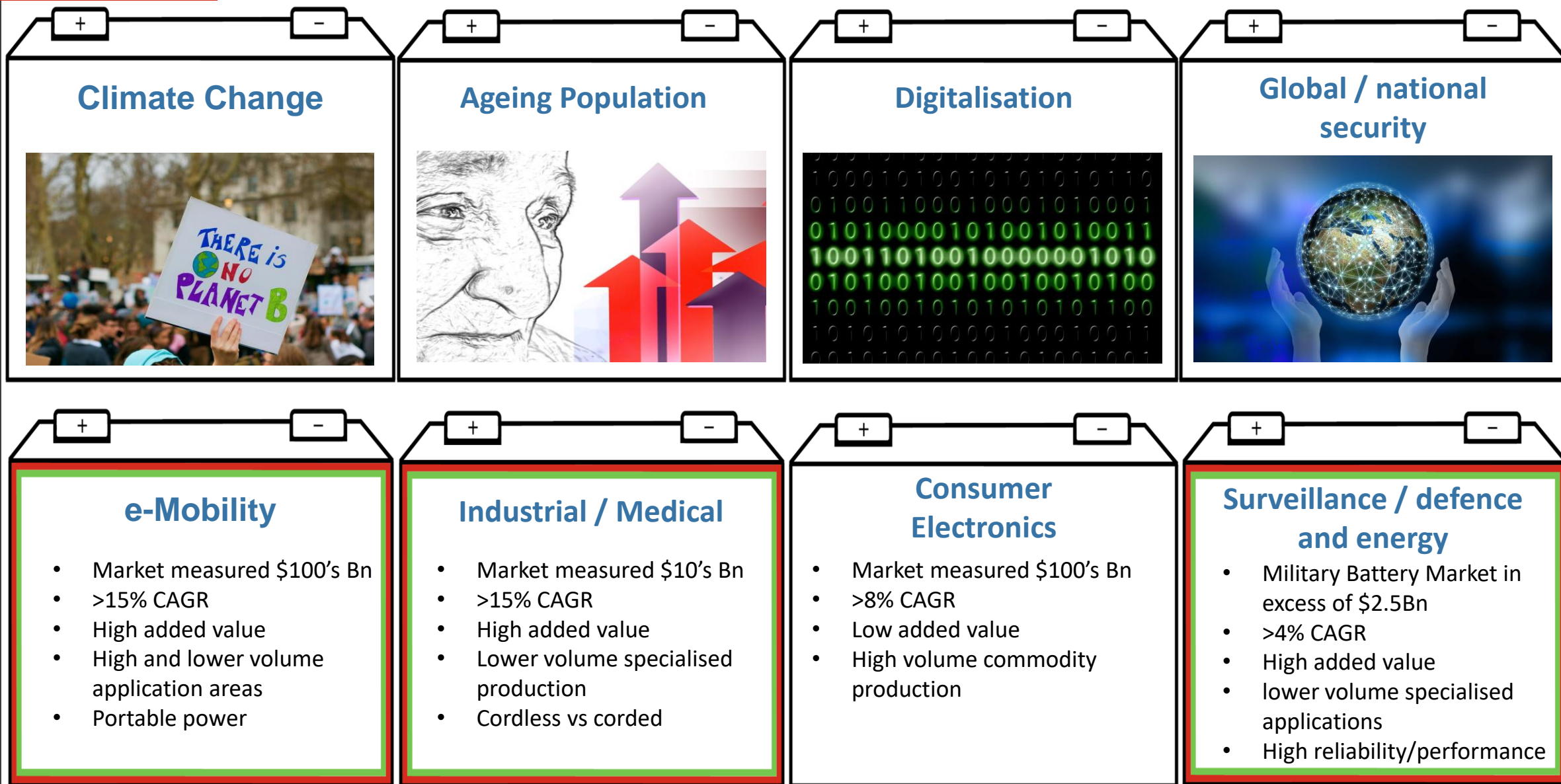
Custom Power's key markets are:

- Technology led; and
- Priorities for Federal Government spending

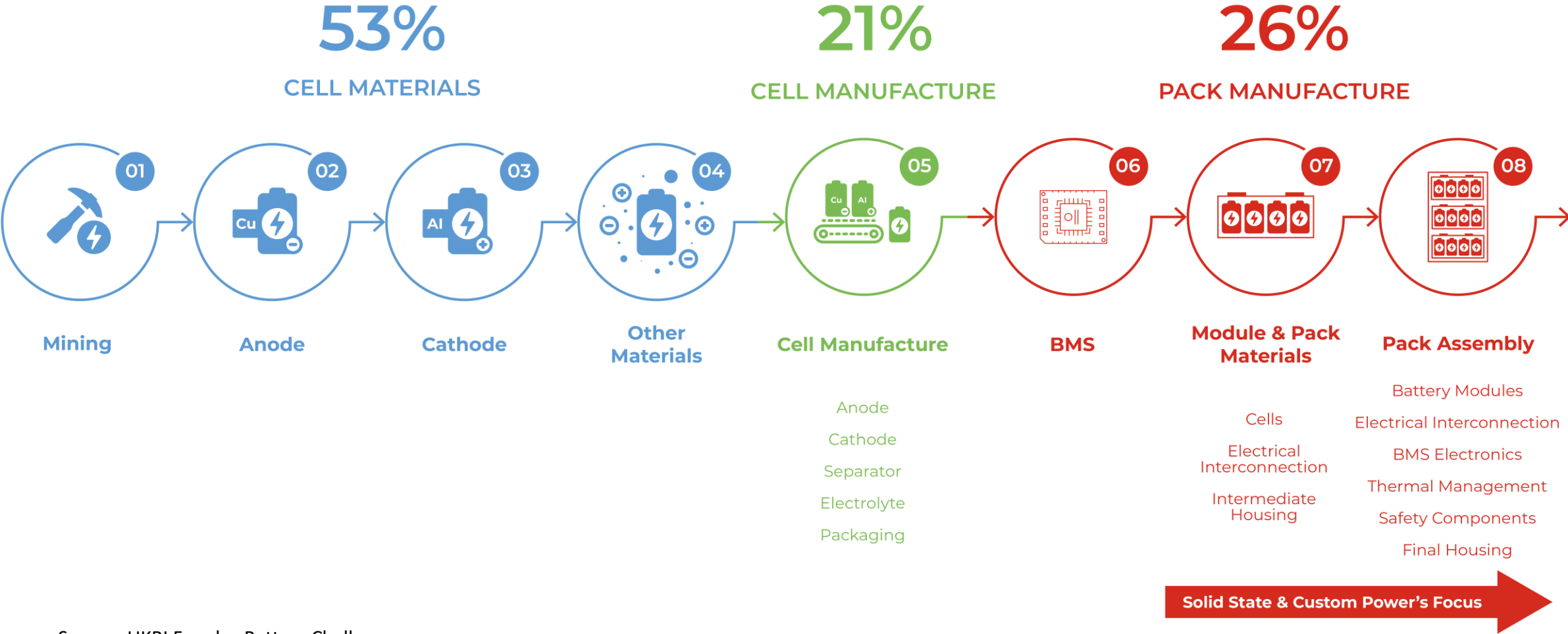


Market positioning of the enlarged power business unit

Macroeconomic trends driving growth in key battery market sectors



Where is the value in the battery pack supply chain?



Source: UKRI Faraday Battery Challenge

Common well-defined criteria for new opportunities in our target markets

New Project Opportunities

Target Criteria

- ✓ Medium volume, complex custom assemblies
- ✓ Annual production runs of 1,000 to 100,000 units
- ✓ Long-term, multi-year production horizons
- ✓ Rechargeable lithium battery pack designs
- ✓ Off-the-shelf, non-custom batteries for commercial use
- ✓ Non-recurring engineering (“NRE”) fees
- ✓ Aerospace & Defence, Medical, Industrial, Transportation
- ✓ Non-road mobile machines (woodchippers-cherry pickers vol less than 6,000) & hybrid rail 1-10 engines

Avoided Criteria

- ✗ Low-Volume, Single Cell Custom Assemblies
- ✗ Annual production runs of <1,000 low cost units
- ✗ Short term production horizons and one-time orders
- ✗ Very high volume off shore production requirements
- ✗ Consumer electronics (e.g., cell phones, laptops, toys)
- ✗ Electric vehicles
- ✗ Off-the-shelf Military batteries

Financial appraisal of Custom Power

CP proforma margins are accretive to the Group

CP underlying performance to 31 Dec' 21 reflects a record year

- The Custom Power proforma column presented opposite adjusts the following items to normalise the P&L to reflect a continuing post acquisition P&L:
 - Goodwill is not amortised under IFRS thus the US GAAP goodwill amortisation will be eliminated under IFRS
 - Non-recurring employee costs who exited the business
 - During 2021 the company recognised a non-recurring credit for the waiver of the COVID-19 PPP loan
 - Management charges from the previous owners
 - Interest reduced based on debt being repaid on completion
 - Tax increased to reflect expected tax levels going forward

FY21 Reported to Proforma P&L L4L \$'000	Reported	Adjust'	Proforma
Revenue	29,758	-	29,758
CoS	(19,257)	-	(19,257)
Gross margin	10,501	-	10,501
Operating cost	(7,030)	-	(7,030)
EBITDA	3,471	-	3,471
D&A / SBP and exceptionals	(905)	760	(145)
EBIT	2,566	760	3,326
Interest	(649)	399	(250)
PBT	1,917	1,159	3,076
Tax	(28)	(525)	(553)
PAT	1,889	634	2,523
Gross margin %	35.3%		35.3%
EBITDA %	11.7%		11.7%
EBIT %	8.6%		11.2%
PBT %	6.4%		10.3%
PAT %	6.3%		8.5%

Adjustments (removed from proforma)	FY21 Adj
US GAAP Amortisation	1,218
Non recurring costs	141
Non recurring credit PPP loan waiver	(918)
Management charges	319
EBIT	760
Interest	399
Tax	(525)
PAT	634

Year end 31 December

CP proforma trading performance shows consistent growth

Delivery on the strategy in three years of Elan's ownership

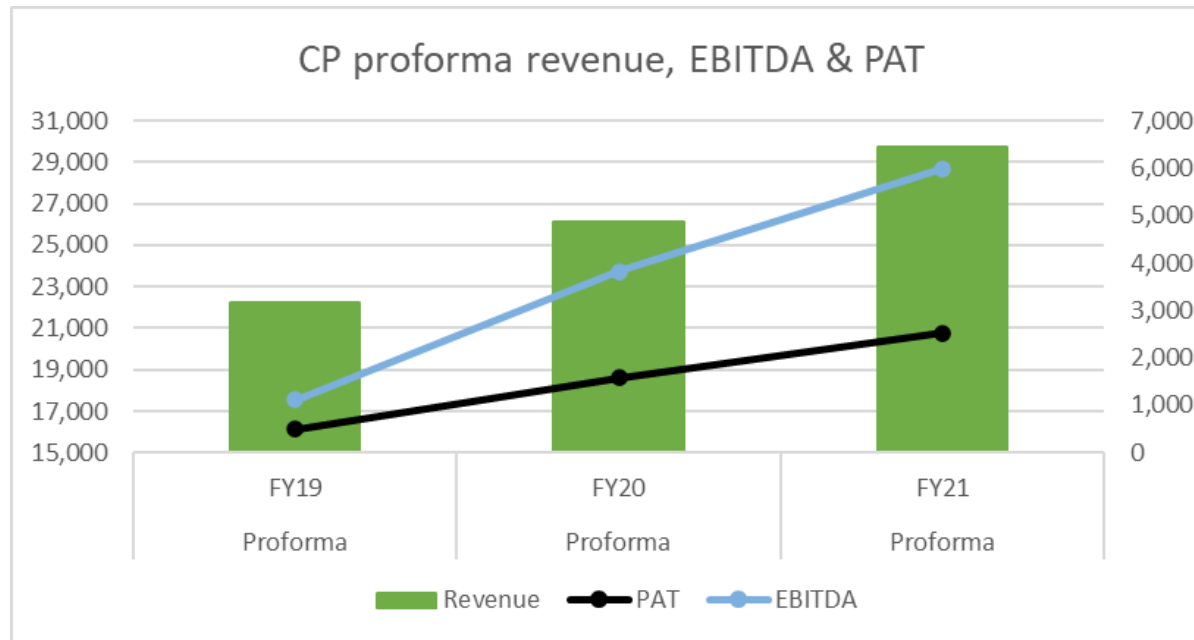
- Strong growth in target markets – engineering reputation
- Profitability and margins have improved
- CP gross and operating margins are >250 Bps higher than the existing Group

CP Proforma P&L L4L \$'000	Proforma FY19	Proforma FY20	Proforma FY21
Reported revenue	30,185	29,256	29,758
Proforma adj	(7,971)	(3,135)	-
Revenue	22,214	26,121	29,758
CoS	(15,145)	(17,740)	(19,257)
Gross margin	7,069	8,381	10,501
Operating cost	(6,460)	(6,123)	(7,030)
EBITDA	609	2,258	3,471
D&A / SBP and exceptionals	(117)	(141)	(145)
EBIT	492	2,117	3,326
Interest	(250)	(250)	(250)
PBT	242	1,867	3,076
Tax	258	(295)	(553)
PAT	500	1,572	2,523
Gross margin %	31.8%	32.1%	35.3%
EBITDA %	2.7%	8.6%	11.7%
EBIT %	2.2%	8.1%	11.2%
PBT %	1.1%	7.1%	10.3%
PAT %	2.2%	6.0%	8.5%

Year end 31 December

Proforma CP performance with FY19 and FY20 restated for a comparable basis with FY21 presented above

In addition to the FY21 proforma adjustments we have adjusted FY19 and FY20 to exclude the benefit of two non-recurring contracts to present a comparable 3yr history



CP expected to deliver ~ \$3.2m of earnings enhancement in a full year

Basis of preparation of actual financial information

- The \$5m earn out hurdle is based on a Last Twelve Month (LTM) revenue exceeding \$37.5m within 18 months of completion to be earned. The LTM revenue hurdle is assessed at six monthly intervals up to 18 months post completion. We believe this target is likely to be achieved
- The proforma P&L for the 12 months post acquisition illustrated opposite is based on \$37.5m revenue and comparable margins with the FY21 proforma
- Given the risk of margin pressure in the current economic environment a 1% margin reduction would reduce profitability by ~\$0.375m
- We believe that this will be achieved and therefore we have prepared a proforma P&L for this level of performance which we would expect to be realised in the first full year of ownership FY23/24
- CP expected to add ~\$37.5m in first full year post acquisition. Enlarged power BU will be circa \$40m - \$50m

Proforma P&L L4L	FY21 \$'000	Earn out target 1st 18 mths \$'000	Earn out target 1st 18 mths £'000
Revenue	29,758	37,500	30,000
CoS	(19,257)	(24,263)	(19,410)
Gross margin	10,501	13,238	10,590
Operating cost	(7,030)	(8,850)	(7,080)
EBITDA	3,471	4,388	3,510
D&A / SBP and exceptionals	(145)	(201)	(161)
EBIT	3,326	4,187	3,349
Interest	(250)	(334)	(267)
PBT	3,076	3,852	3,082
Tax	(553)	(683)	(546)
PAT	2,523	3,169	2,535
Gross margin %	35.3%	35.3%	35.3%
EBITDA %	11.7%	11.7%	11.7%
EBIT %	11.2%	11.2%	11.2%
PBT %	10.3%	10.3%	10.3%
PAT %	8.5%	8.5%	8.5%

Foreign exchange rate: \$1.25:£1

Investment summary

Project Wheel investment case

CP acquisition is expected to be earnings enhancing in FY23

- **Transformational:** CP is an established profitable, cash generative battery business in USA
- **Attractive deal terms:** ~1.2x revenue and ~14x PE multiples lower than other deals in the sector
- **Record Orderbooks:** SOLI's order Book at the 31 May 2022 is currently £89.7m and CP will add a further £15.0m
- **Upsell / cross sell opportunities:** CP's complementary customer base has little or no overlap
- **Commercial synergies:** CP's international customer base adds scale to the Group's Power business unit in key growth markets
- **Technical synergies:** enhanced capabilities and technical offering to upsell to existing customers
- **Valuation re-rating opportunity:** significant potential for shareholder value accretion if the enlarged Group rating improves

Appendices

- 1) Strategic benefits of the acquisition
- 2) Wheel financial history
- 3) Solid State PLC existing Group financial history
- 4) Other sector deals and public company peers
- 5) Existing shareholder base and detailed timetable
- 6) Battery Systems Market Review

APPENDIX 1

Strategic benefits of the acquisition

CP's established strength is in high growth sectors in the US market



CUSTOM POWER
Brings new market experience

SYNERGIES

STEATITE LTD
Brings market experience



MILITARY & AEROSPACE





MEDICAL



INDUSTRIAL



MEDICAL & INDUSTRIAL



AUTONOMOUS & ROBOTICS



SUBSEA POWER



ENERGY

CP adds strength in semiconductor / software engineering expertise

CUSTOM POWER

Brings software and advanced communication



DRONES
HIGH ENERGY DENSITY
HIGH POWER
LIGHTWEIGHT



FIRMWARE INTEGRATION
COMMUNICATION PROTOCOLS
HIGHER LEVEL FEATURE INTEGRATION



ADVANCED FUEL GAUGING ALGORITHMS
PRIMARY FUEL CELL GAUGE



NEXT GENERATION WIRE BONDING TECHNOLOGY
EFFICIENCY, QUALITY & RELIABILITY



HIGH VOLTAGE & HEAVY DUTY BATTERY PACK FOR TRANSPORTATION

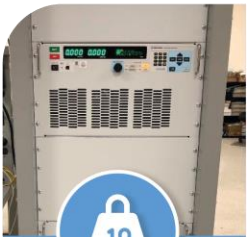


SUBSEA PRESSURE TOLERANT AND ENERGY PRIMARY POWER

CP has excellent synergistic engineering test equipment and tools

CUSTOM POWER

Brings superior load test, temperature chamber & data acquisition



25 KW LOAD
0 - 4020 AMPS
0 - 100 VOLTS



TEMPERATURE
CHAMBER
-70°C TO +165°C



MULTI CHANNEL
DATA AQUISITION
SYSTEM

VOLTAGE

TEMPERATURE

CURRENT



48 CHANNEL
CELL & PACK
ANALYSER

SYNERGIES



CELL & PACK
TEST
CHANNEL
ANALYSER



STEATITE LTD

Brings vibration & shock testing



100 TEST
CHANNEL
CELL & PACK
ANALYSER

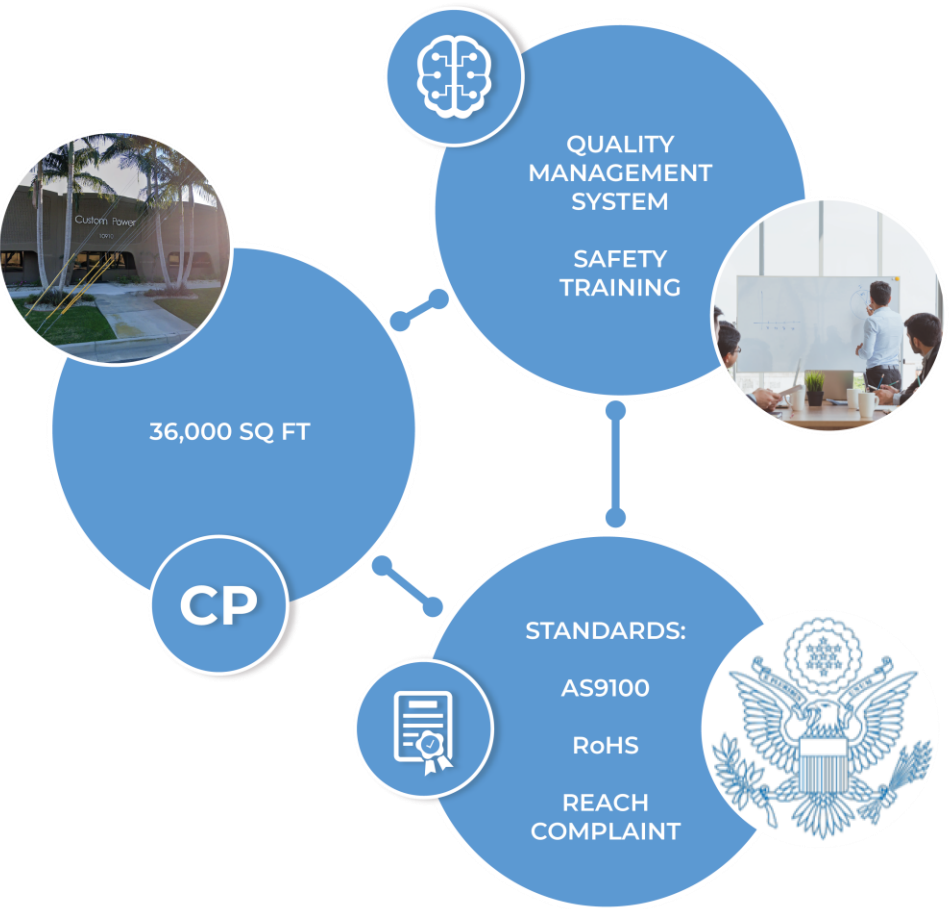


VIBRATION &
SHOCK TABLE
CAPABILITY OF
HALF SINE,
PULSES UP TO
5.5KN ON
UNITS UP
TO 30 KG

CP has established quality manufacturing capabilities

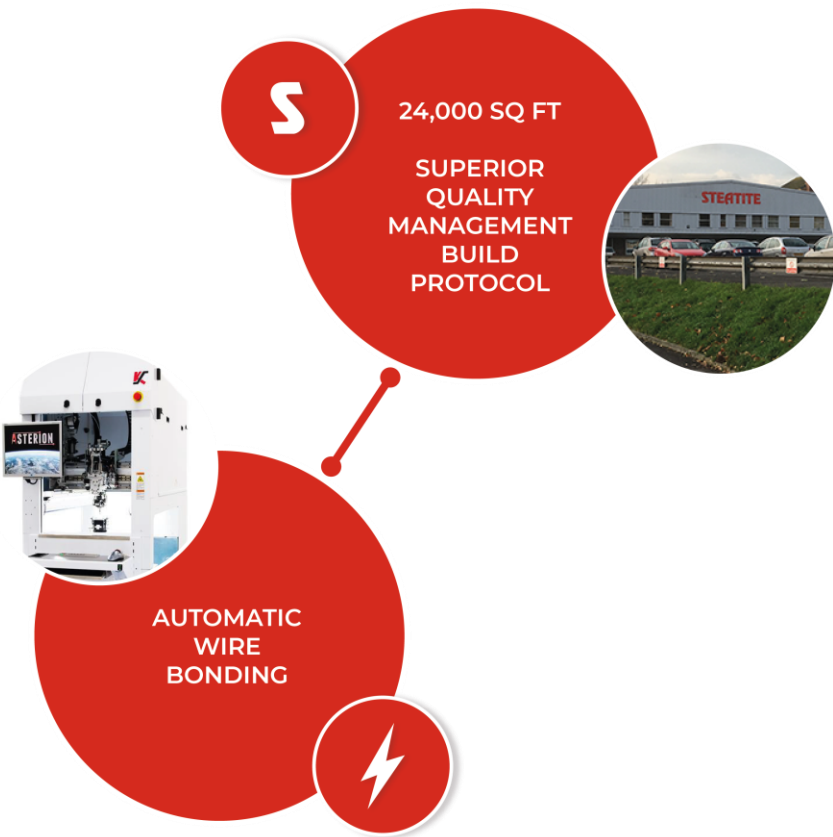
CUSTOM POWER

Operates on similar principles for pack assembly



STEATITE LTD

Additional technology of advanced manufacturing & QMS system



Transatlantic capabilities to service international customer base

CUSTOM POWER

Geographical opportunities in large markets



MEXICAN
CONTRACT
ASSEMBLER
FOR
STANDARD
COMMERCIAL
OFF THE SHELF



CALIFORNIAN
ASSEMBLY &
DISTRIBUTION
(ORANGE
COUNTY LA)

ACCESS TO
NORTH
AMERICA

STEATITE LTD

Acts as a bridge between North America & Europe



UK ASSEMBLY
STEATITE
SYSTEMS



UK
DISTRIBUTION
SOLID
STATE
SUPPLIES



ACCESS TO
UK & EMEA

APPENDIX 2

Wheel financial history

Underlying trading performance FY19, FY20, FY21 reflects good growth

FY19 Reported to Proforma P&L L4L \$'000	Reported	Adjust'	Proforma
Revenue	30,185	(7,971)	22,214
CoS	(20,128)	4,983	(15,145)
Gross margin	10,057	(2,988)	7,069
Operating cost	(6,460)	-	(6,460)
EBITDA	3,597	(2,988)	609
D&A / SBP and exceptionals	(3,246)	3,129	(117)
EBIT	351	141	492
Interest	(125)	(125)	(250)
PBT	226	16	242
Tax	(29)	287	258
PAT	197	303	500
Gross margin %	33.3%		31.8%
EBITDA %	11.9%		2.7%
EBIT %	1.2%		2.2%
PBT %	0.7%		1.1%
PAT %	0.7%		2.2%

Adjustments (removed from proforma)	FY21 Adj
Profit on non recurring customer contract	(2,988)
US GAAP Amortisation	-
Non recurring costs	2,268
Other income/expenses	841
Management charges	20
EBIT	141
Interest	(125)
Tax	287
PAT	303

FY20 Reported to Proforma P&L L4L \$'000	Reported	Adjust'	Proforma
Revenue	29,256	(3,135)	26,121
CoS	(19,783)	2,043	(17,740)
Gross margin	9,473	(1,092)	8,381
Operating cost	(6,123)	-	(6,123)
EBITDA	3,350	(1,092)	2,258
D&A / SBP and exceptionals	(2,296)	2,155	(141)
EBIT	1,054	1,063	2,117
Interest	(1,055)	805	(250)
PBT	(1)	1,868	1,867
Tax	(24)	(271)	(295)
PAT	(25)	1,597	1,572
Gross margin %	32.4%		32.1%
EBITDA %	11.5%		8.6%
EBIT %	3.6%		8.1%
PBT %	0.0%		7.1%
PAT %	-0.1%		6.0%

Adjustments (removed from proforma)	FY21 Adj
Profit on non recurring customer contract	(1,092)
US GAAP Amortisation	1,433
Non recurring costs	223
Other income/expenses	259
Management charges	240
EBIT	1,063
Interest	805
Tax	(271)
PAT	1,597

Historic balance sheet for Custom Power reflects investment in W/C

Custom Power historic balance sheet information

- Intangibles reflect Elan's acquisition goodwill which will be eliminated inline with IFRS3 acquisition accounting
- Significant working capital investment in inventory and receivables
- Receivables aging extended albeit no history or evidence of material bad debts
- Net debt has reduced as the debt has been repaid by the cash generation from the business
- The proforma net assets strips out the intangibles and net debt (cash free debt free deal). Reflecting the underlying assets being acquired
- IFRS3 intangibles / goodwill early estimate ~ \$35m - £38m

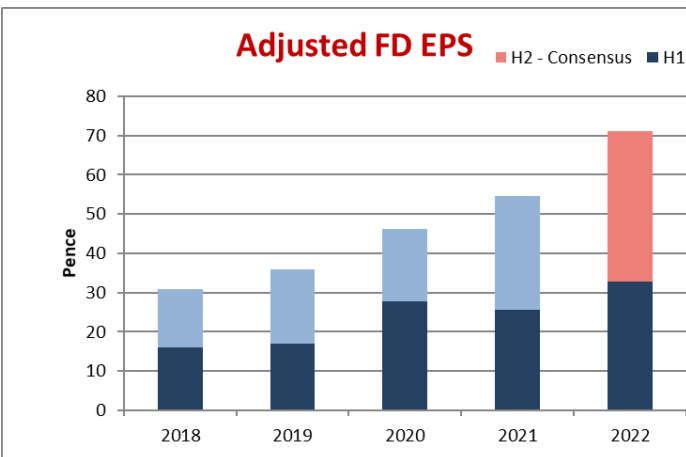
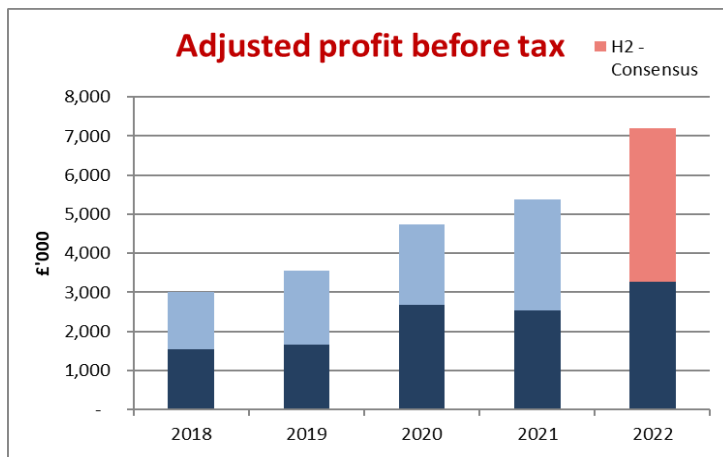
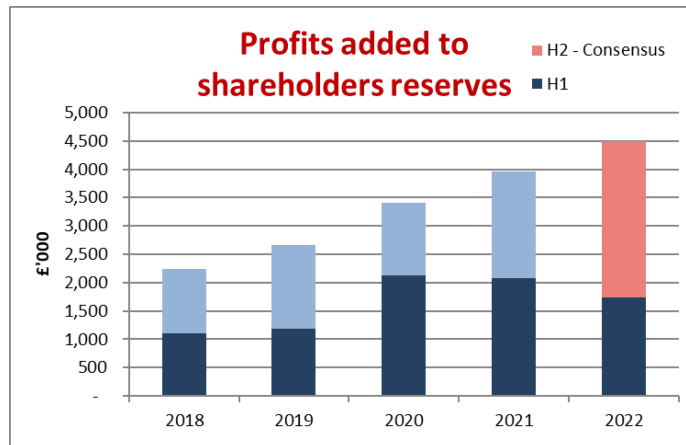
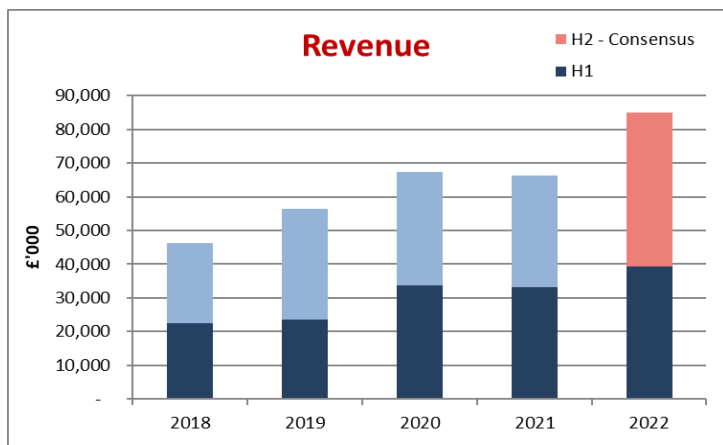
CP	Proforma	Proforma	Proforma
Proforma Balance sheet \$'000	FY19	FY20	FY21
Intangibles and goodwill	13,880	12,123	9,136
Fixed Assets	282	368	341
Non current assets	14,162	12,491	9,477
Stock	3,878	3,069	3,670
Trade Receivables	1,951	2,438	4,790
Prepayments and Other Receivables	109	182	245
Total current assets (Ex cash)	5,938	5,689	8,705
Trade Payables and GRNI	(1,827)	(1,112)	(1,302)
Accruals and other payables	(718)	(496)	(924)
Total current liabilities	(2,545)	(1,608)	(2,226)
Cash	992	1,836	607
Swap	0	(147)	(96)
PPP Loan	0	(985)	0
Bank Loan	(847)	(1,303)	(940)
Notes payable	(10,050)	(8,886)	(6,550)
Net debt	(9,905)	(9,485)	(6,979)
Net assets	7,650	7,087	8,977
Exclude entity goodwill	(13,880)	(12,123)	(9,136)
Exclude net debt	9,905	9,485	6,979
Proforma net assets being acquired	3,675	4,449	6,820

Year end 31 December

APPENDIX 3

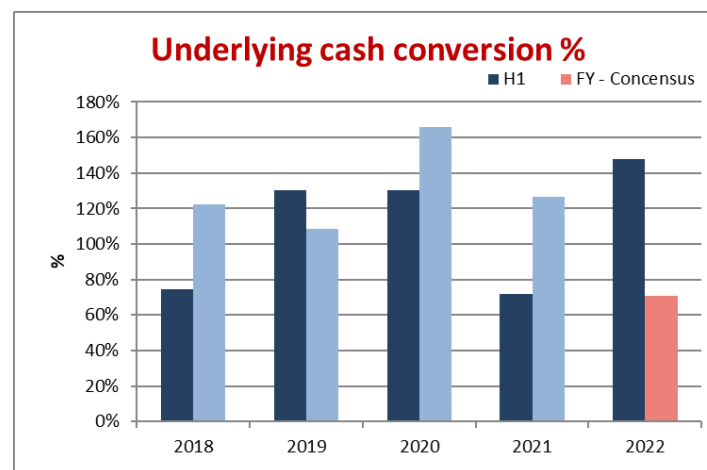
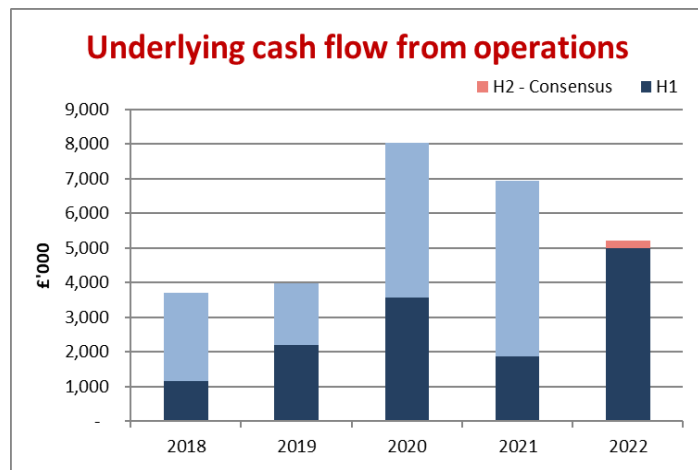
Solid State Plc existing group financial history

Record trading performance delivered on 5 year plan - doubling EPS

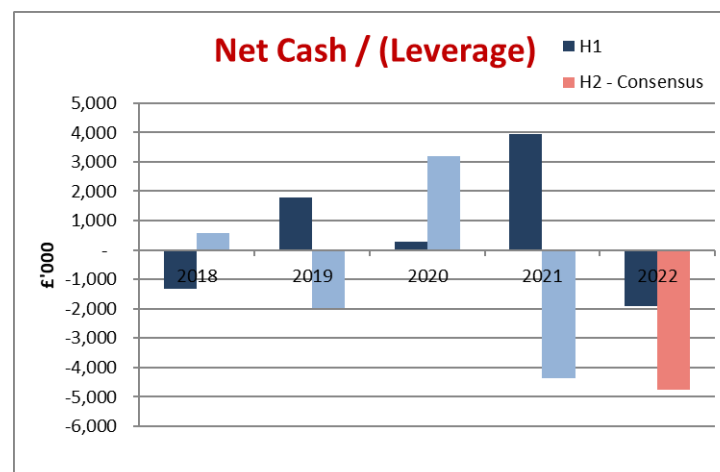
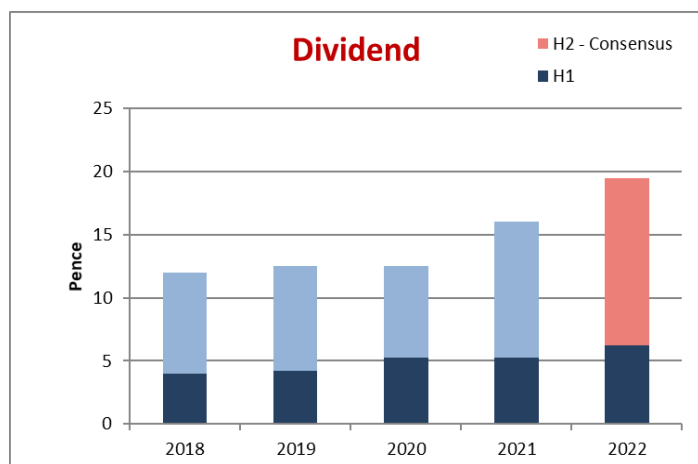


- Two revenue and profit upgrades during FY22 totalling ~8% and ~25% respectively
- Consensus Revenue £85m up 28%
- Consensus Adj PBT £7.2m up 33%
- Consensus expectations reflect 30% growth in EPS year on year
- 60%:40% Sales split between Components and Systems

Cash generation facilitated investment and growth, delivering value



- Cash generation basis for increase in consensus dividend to 19.5p up 22%
- Strong H1 cash generation, H2 working capital outflow increases net debt
- Record orderbook £85.5m up 106%



APPENDIX 4

Other sector deals and public company peers

Deals in the sector being completed at higher valuation metrics

Yanmar acquires majority ownership in battery technology company ELEO Osaka, Japan, and Helmond, the Netherlands – April 4th, 2022

- Yanmar Holdings Co., Ltd., a privately held multi-billion dollar multinational company headquartered in Osaka, Japan, today officially announced it has acquired a majority share in ELEO Technologies B.V., a fast-growing battery technology company based in Helmond, the Netherlands. By integrating ELEO's advanced, scalable, and modular battery technology, Yanmar will further its electrified powertrain capabilities with versatile, customized solutions for off-road applications.

FORTESCUE BUYS WILLIAMS ADVANCED ENGINEERING AND ANNOUNCES WORLD'S FIRST INFINITY TRAIN MAR 1, 2022

- Marking its transition to a global green renewables and resources company, Fortescue has today completed the acquisition of UK-based Williams Advanced Engineering (WAE). WAE will remain an independent company, accelerating growth whilst its leading battery technical division will work with Fortescue Future Industries (FFI), Fortescue's green energy, technology and development company

Acquisitions of Hyperdrive Innovation and BorgWarner Gateshead position Turntide to accelerate existing technologies and capabilities to reduce energy use and cost for commercial transportation services - Sunnyvale, CA and Gateshead, UK – June 8, 2021

- Turntide Technologies, ("Turntide"), the company responsible for the Platform for Sustainable Operations™, powered by its patented Smart Motor System™, today announced the launch of Turntide Transport, a new division of the company focused on modernizing intelligent motor systems throughout the commercial transportation industry.
- Turntide is entering the transport space with the acquisition of two UK-based businesses Hyperdrive Innovation Ltd. ("Hyperdrive"), and the engineering technical center business ("Gateshead Business") of BorgWarner Gateshead Limited ("BorgWarner").
- The AVID acquisition completes our end-to-end offering for the electrification of commercial and industrial vehicles. This puts us on a path to eliminate the need for rare earth magnets in EVs as we further develop our motor technology for the transport market."
- Further acquisition of Avid sees Turntide has complete \$225 million in convertible note financing, bringing the company's total funding to over \$400 million.

Public companies in the sector

- Overleaf we have presented the enterprise value to revenue ratio for a selection of Publicly traded Battery technology companies. We have used EV/Revenue as many of the companies in the sector are not yet profitable / cash generative therefore PER are not relevant or comparable.
- It is worth noting that the sector companies do reflect a broad range of businesses within the Battery sector with the majority being cell technology rather than pack manufacturers. Therefore they are no directly comparable public companies.

Public company Power sector peer group comparators

Ticker	Company Name	Next Year End	FX	Price (Local)	Price (£)	Mkt Cap (£m)	EV (£m)	EV (Local)	27/04/2022 27/04/2022			EV/Revenue		
									Revenue (£m)		Hist	EV/Revenue		
									FY1	FY2			FY1	FY2
AIM:AMTE	AMTE Power plc	Jun 2022	GBP	0.86	0.86	30.3	25	25	1.97	2.30	6.50	77.2x	10.9x	3.9x
AIM:IES	Invinity Energy Systems plc	Dec 2021	GBP	0.90	0.90	104.4	94	94	0.41	5.05	27.55	NM	3.4x	1.6x
AIM:IKA	Ilika plc	Apr 2022	GBP	1.20	1.20	189.2	162	162	2.26	0.67	6.33	NM	243.3x	25.6x
AIM:AFC	AFC Energy plc	Oct 2022	GBP	0.40	0.40	293.8	239	239	0.59	4.62	11.39	269.7x	51.8x	21.0x
AIM:ITM	ITM Power Plc	Oct 2022	GBP	3.57	3.57	2,185.9	2,028	2,028	5.63	15.71	57.49	244.0x	129.1x	35.3x
AIM:CWR	Ceres Power Holdings plc	Dec 2022	GBP	7.69	7.69	1,466.3	1,225	1,225	30.78	35.69	39.83	44.8x	34.3x	30.7x
AIM:PPS	Proton Motor Power Systems Plc	Dec 2021	GBP	0.16	0.16	247.9	326	326	1.89	-	-	176.8x	9.2x	5.7x
AIM:GELN	Gelion plc	Jun 2022	GBP	1.02	1.02	109.3	89	89	0.35	1.20	1.40	NA	73.9x	63.4x
NYSE:QS	QuantumScape Corporation	Dec 2022	USD	17.95	13.79	5,930.6	4,879	6,351	-	-	1.00	NA	NA	NM
NYSE:ENR	Energizer Holdings, Inc.	Dec 2022	USD	29.55	22.70	1,617.5	4,237	5,515	2,208.37	2,331.48	2,386.34	1.6x	1.8x	1.8x
NasdaqGS:TSLA	Tesla, Inc.	Dec 2022	USD	1,025.49	787.83	814,231.1	808,539	1,052,443	39,134.65	63,770.96	82,102.56	14.8x	12.7x	9.8x
TSE:6752	Panasonic Holdings Corporation	Dec 2022	JPY	1,130.00	6.98	16,286.6	21,308	3,449	48,367.94	45,677.01	47,257.72	0.5x	0.5x	0.5x
KOSE:A006400	Samsung SDI Co., Ltd.	Dec 2022	KRW	601,000.00	375.44	24,178.6	25,875	41,421	8,607.61	10,449.94	12,699.15	2.7x	2.5x	2.0x
XTRA:LMIA	LION E-Mobility AG	Dec 2020	EUR	2.25	1.88	18.8	18	22	16.40	-	-	NA	NA	NA
NYSE:RMO	Romeo Power, Inc.	Dec 2022	USD	1.40	1.08	144.6	73	95	12.22	32.75	91.61	2.6x	2.2x	0.8x

High	269.7x	243.3x	63.4x
Low	0.5x	0.5x	0.5x
Median	29.8x	10.9x	5.7x
Mean	83.5x	44.3x	15.5x

Source: WH Ireland

APPENDIX 5

Existing shareholder base and detailed timeframe

Shareholder information

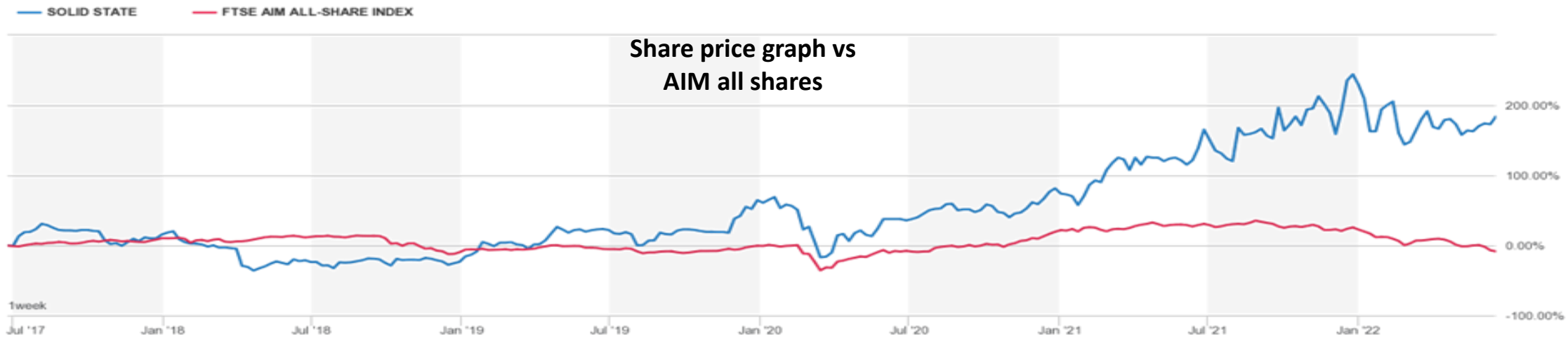
Major Shareholders	Holding
• Schroders	9.84%
• Mr & Mrs G Comben	8.54%*
• Seguro Nominees Limited	6.97%
• Mrs B Marsh	6.44%
• Charles Stanley and Co	6.11%
• BGF Investment Management Limited	5.89%
• Canaccord Genuity Group Inc	4.57%
• Lion Trust Asset Management	4.23%

*combined holding of Mr and Mrs Comben respectively

	Shares
• Total shares in issue	8,564,878

Directors	Holding
• Gary Marsh, Chief Executive	3.29%
• John Macmichael, M.D. - Components	1.43%
• Peter Haining, Non-Executive Director	0.64%
• Matthew Richards, M.D. – Systems	0.12%
• Nigel Rogers, Non-Executive Chairman	0.05%
• Peter Magowan, Non-Executive Director	0.05%
• Peter James, Group Finance Director	0.04%

	Shares
• Total share options	248,100



Progressing to successful completion

- Marketing: 24/27 June to 5 July 2022
- Finalise book: 6 July 2022
- Sign MIPA 6 July 2022 after hours
- ABB announcement 7 July 2022
- Posting of circular 7/8 July 2022
- Open offer open 8 July 2022 – close 26 July 2022
- General Meeting 27 July 2022
- Admission of placing shares 28 July 2022
- Acquisition completion 1 August 2022

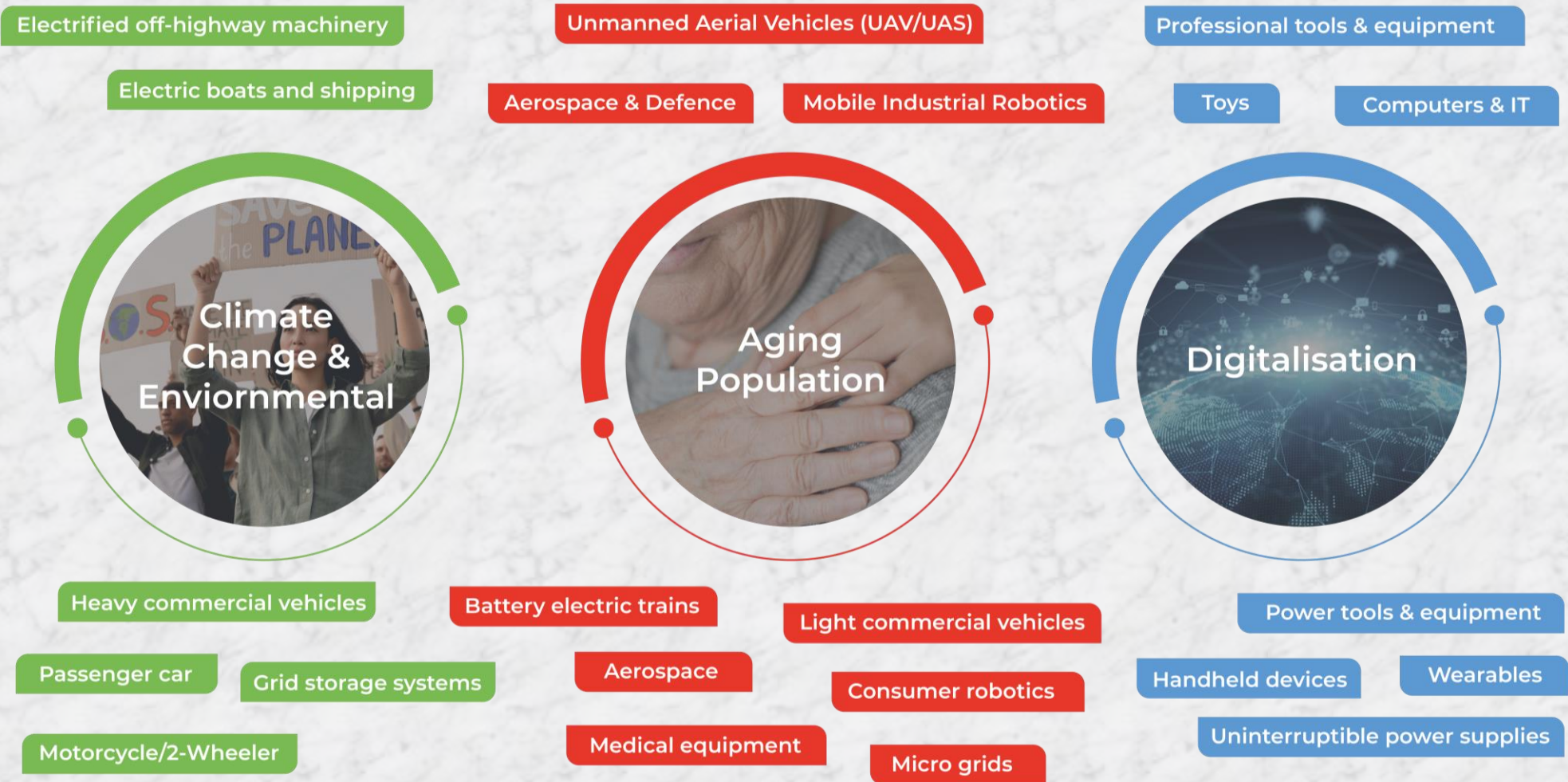


APPENDIX 6

Battery systems market review

Ryan Maughan FIMechE, CEng, MSc, BEng, MCMI, CMgr

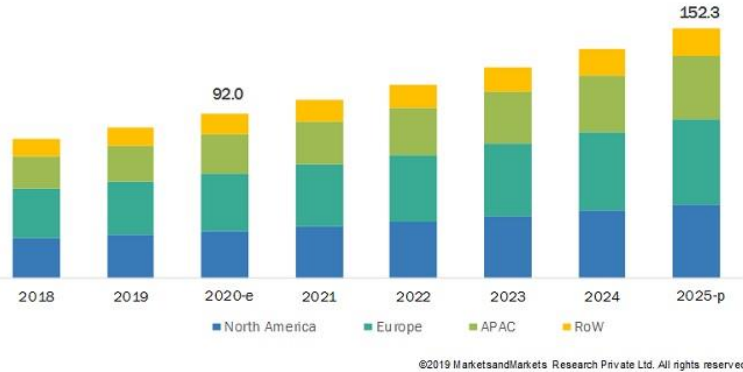
Macroeconomic trends driving battery systems market



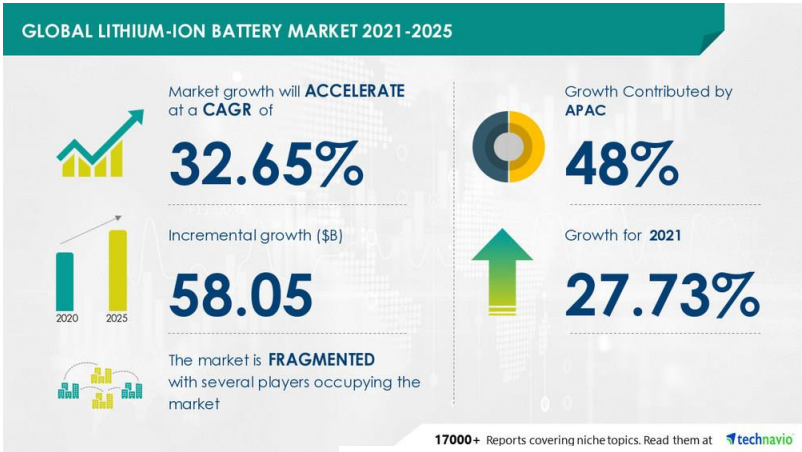
- The most compelling macroeconomic trends of our time are driving strong growth in all key battery system markets
- High levels of investment in battery cell technology and capacity creating lower cost higher performing cells
- This in turn creates new opportunities for battery powered equipment

Consensus view of global battery system market > \$150Bn by 2030

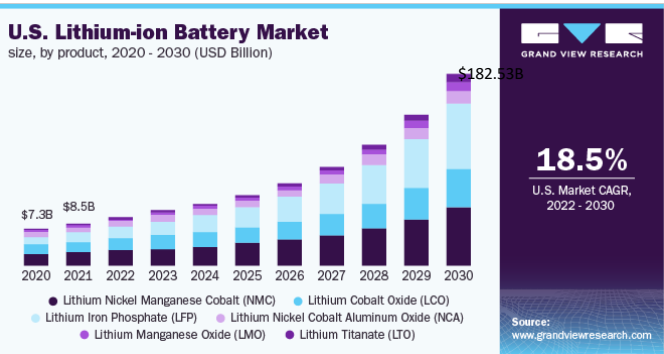
BATTERY TECHNOLOGY MARKET, BY REGION (USD BILLION)



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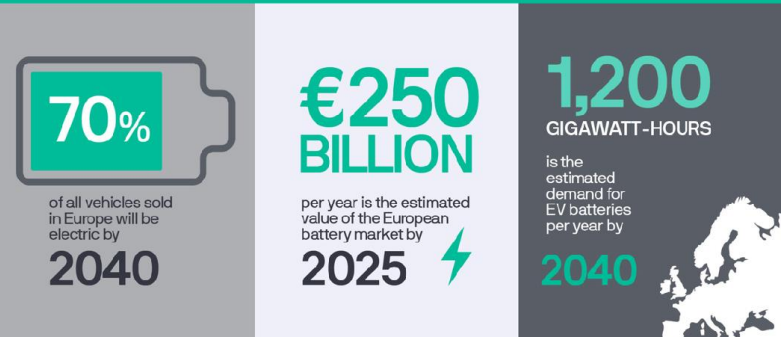


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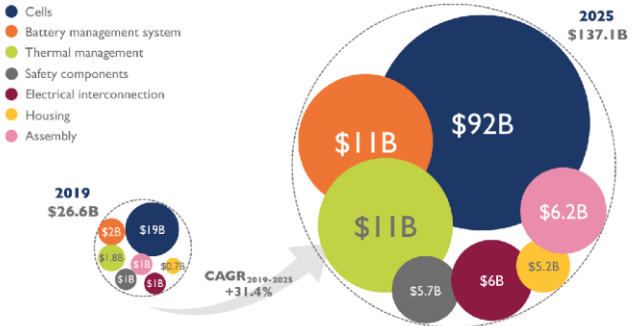
THE EUROPEAN BATTERY MARKET BY NUMBERS



Copyright Wallenius Wilhelmsen ASA

2019-2025 battery pack market values in \$B Split by pack component

(Source: Li-ion Battery Packs for Automotive and Stationary Storage Applications 2020 report, Yole Développement, 2020)



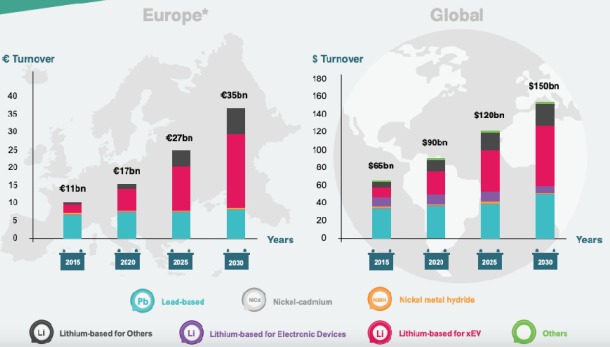
YOLE Développement

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BATTERY MARKET DEMAND 2015-2030

Lead- and lithium-based batteries will remain the most important markets by 2030, with the **global market reaching \$150bn** and the **European market reaching €35bn**



Copyright Eurobat

Steatite Power focus markets

- Focus on high growth industrial and specialist e-mobility markets
- Safety and mission critical battery systems with high reliability, validation and certification requirements
- Historically smaller simpler battery systems but moving to larger, higher value more complex battery systems
- Fast growing global customers seeking trusted partners that can support them
- Addressable market for battery systems in focus markets >\$25 Billion USD PA¹ by 2030
- Forecast growth in focus markets >15% CAGR²

Mobile Robotics



Unmanned Aerial Vehicles (UAV/UAS)



Professional Tools & Off-Highway Equipment



Low Volume Specialist e-Mobility



Medical Equipment



Aerospace & Defence

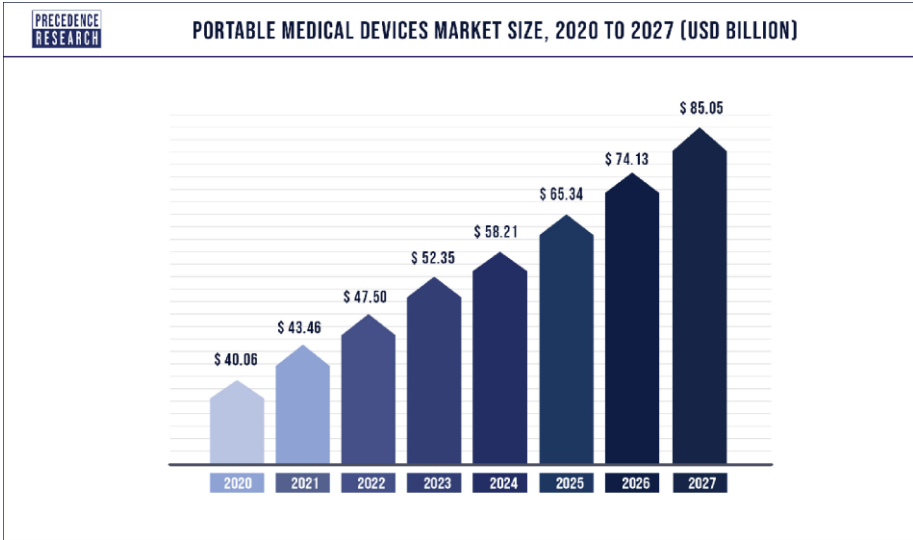


High growth Industrial and Specialist e-Mobility markets

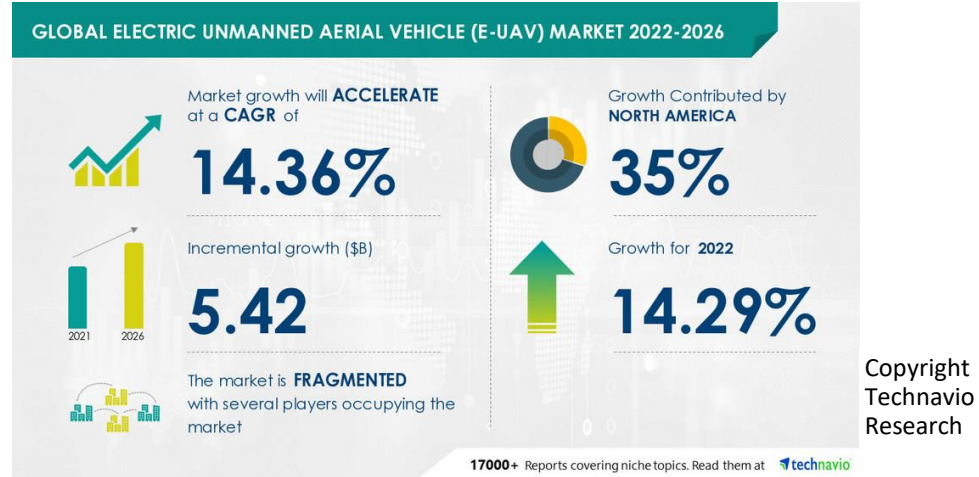
Mobile Robotics



Medical Equipment



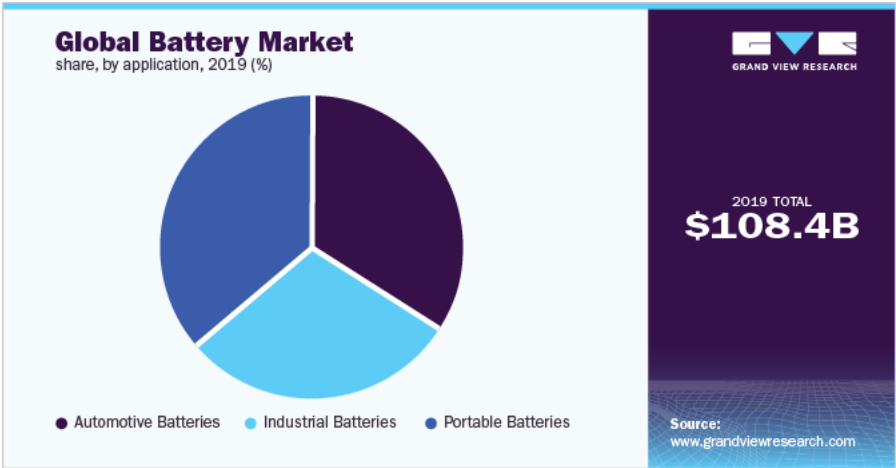
Unmanned Aerial Vehicles (UAV/UAS)



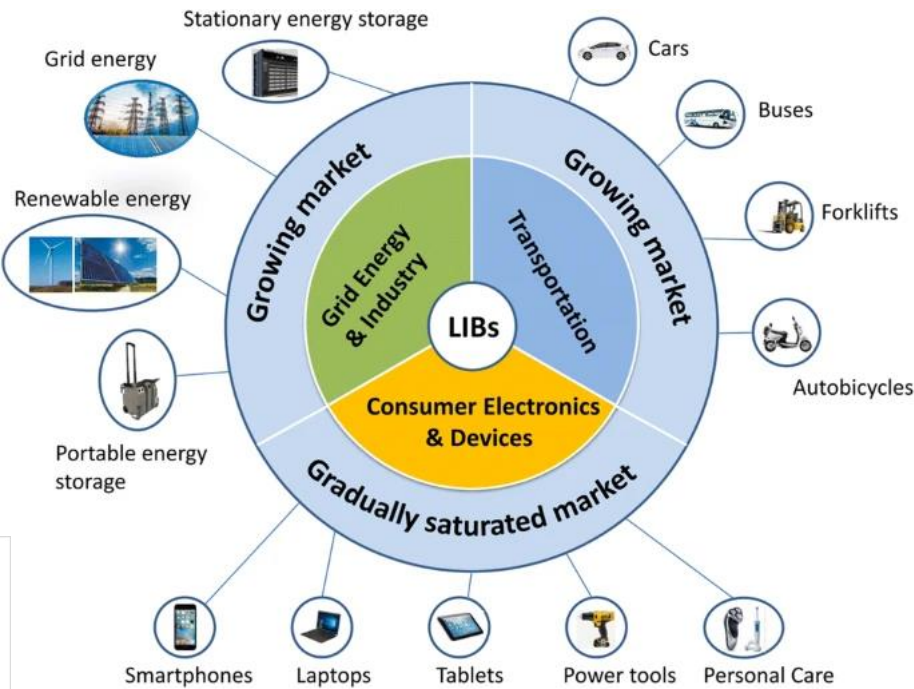
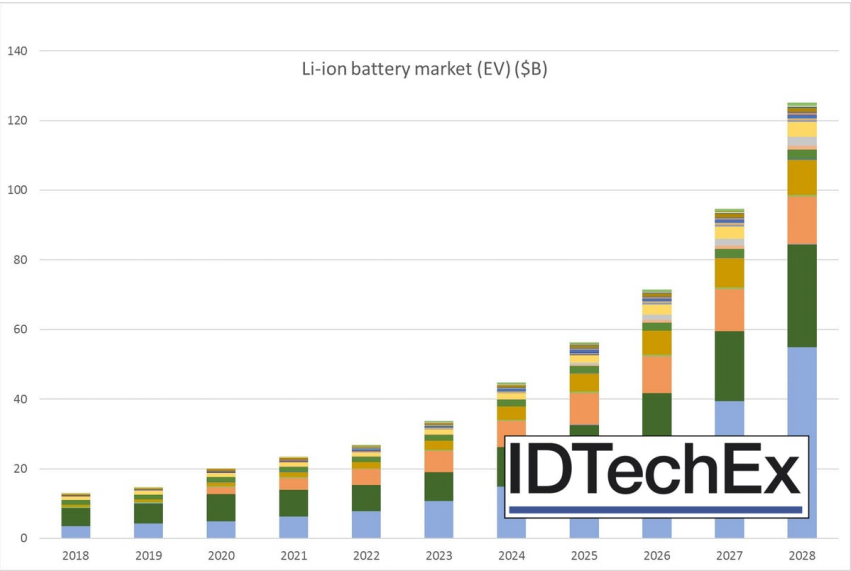
Professional Tools & Off-Highway Equipment



Additional market data



Copyright Grand View Research



Copyright Yuanli Ding et al

1. Based on Frost and Sullivan Global Industrial Battery Market, Forecast to 2023 MD4A-27
2. Combined figure for industrial and mobility market growth
3. Based on Yole research split by pack component 2025
 - www.yole.fr/iso_album/illus_li-ionbatterypacks_marketvalue_yole_march2020.jpg
 - www.eurobat.org/images/eurobat-avicienne-infographic_key_conclusions.pdf
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