



Company Overview



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www.stalwartpower.com

Confidential & Proprietary

Overview

Stalwart Power, Inc. (Stalwart) was launched to address the extensive and growing demand for enhanced energy storage solutions that increase the reliability of electric transmission and distribution systems and decrease costs for electric power consumers. Headquartered in the San Francisco Bay Area, Stalwart delivers end-to-end energy management solutions, providing energy storage, intelligent dispatching, increased efficiency, and lower overall energy costs. Stalwart provides both customer facing and utility facing solutions to advance the integration of renewable resources onto the grid, defer upgrades to the transmission system, and help manage the disintermediation between energy users and energy suppliers that is disrupting the centralized utility model. The Stalwart leadership team is fully assembled and has a strong track record innovating and deploying transformational energy technologies. Access to customers and industry relationships has already yielded several near-term flagship opportunities that show a clear path to profitability and scalability.

Solution

Stalwart offers turn-key, total energy management solutions, exploiting storage innovations that have multiple concurrent revenue streams to maximize the economic value of a single product. Stalwart's solution integrates a suite of proprietary software, next generation energy storage hardware, custom engineering and management software, and finance tools to enable optimal energy management. These systems can independently or concurrently supply power demands of both the user and the grid, protecting users against rising demand charges during peak periods, thus lowering energy costs, while providing greater flexibility to grid operators. Networked and overlaid with a powerful software platform that monitors energy performance, savings and revenue generation, Stalwart provides full reactive power, real-time dispatch and instant control capabilities, bringing intelligence to the grid. Stalwart's preferred pricing supply-chains use proven and available technology to implement solutions that are reliable and financeable.

Business Model

Stalwart will deliver its solutions to a variety of customers including small businesses, commercial building owners, large manufacturing and institutional facility operators, and investor-owned utilities. The Company's business model will be uniquely positioned to optimize numerous revenue streams. Initial delivery of turnkey solutions will generate an equipment reseller margin and project development fees. Near term opportunities are expected to yield between 15-50% total gross margins with a revenue potential of \$2-10M per project. Once initial projects are deployed, Stalwart will realize additional revenue streams from long-term energy & power contracts such as demand management, peak shavings, resource adequacy, frequency regulation, energy arbitrage, and power sales agreements. These long-term revenue sources are driven by state and federal regulatory policy and other market shaping constraints and will be the basis for underwriting a long-term financeable product. Our plans for acquiring advanced Inverter/BMS/Software driven technology patents in the near term can be discussed under NDA. Other advanced distribution transformer technology is under due diligence.

Market

While a number of participants have entered this marketplace, most notably Stem on the integrator side and renewable companies such as NextEra and Solar City, the market is nascent, vast, and evolving. According to the Economic Times, the world's demand for energy is expected to increase by 70% by 2035, renewables representing about 1/3 of new generation in the next 3 years. The combination of shifts in the Investor-Owned utility ownership, federal

initiatives and regulatory pressures to reduce greenhouse gases and methods to improve delivery of power and to lower electricity costs to large energy consumers are driving this market. In response, the energy storage market is set to “explode” from .34 gigawatts (GW) in 2013 to 6GW in 2017 and over 40GW by 2022. IMS is forecasting the energy storage market to hit \$19B by 2017, while Navigant Grid-scale storage is predicting a market size of \$68.5+B through 2024.

Why Stalwart

Stalwart will not only compete effectively, but it is positioned to become a market leader. Highlights include:

- A team of highly experienced, nimble, pivot-oriented, energy tech leaders with an aggregate of 100+ years of proven success in technology know-how, energy storage, market entry, financing deployment, and access to customer and industry relationships. The key team includes:
 - **BERT NELSON, COO:** Experienced executive. Former CEO of Applied Superconductor, Inc. and Mgr. Director/COO of Zenergy Power. Early-stage shareholder, director or cofounder of Sargent Electric; TEGG; Holocom Networks; Sequentric Energy; AIRSIS; Direct Drive Systems; Cheng Power; and Smart Wires. BS United States Naval Academy
 - **WOODY GIBSON, ADVISOR:** Co-founder of numerous startups in energy and environmental tech, most recently Smart Wires Inc. and Zenergy Power plc. Formerly CEO of Smart Wires and Zenergy Power, SVP Business Development of Thorne Environmental, GM Acquisitions of International Technologies, Inc. Marine Engineering, Executive MBA, Pepperdine University
- A growing number of large, near-term flagship projects in pipeline with clear path to profitability and scalability. Pipeline includes customers in 2 key sectors: investor-owned utilities and businesses, providing solutions both behind-the-meters as well as on the side of the grid/utility meter.
- A market ready total energy solution delivering optimal results through existing partnerships and supply chain for batteries, inverters and energy management/control software technology to combine best in class hardware and software solutions. Significant improvements and dominant innovations in hybrid energy storage alternatives, CHP, energy inverters and computer-based energy management programs are being leveraged to respond to customers’ needs that will reduce their carbon footprint.
- Most importantly, management committed and Company positioned to get to market and generate traction with much less investment than predecessors.