
ESS INC
Long Duration Energy Storage Systems for a Cleaner Future
EW™
MAY 2021
CONFIDENTIAL
**Subsequent to the date of this presentation, certain estimates and assumptions with relation to ESS' financial projections have changed. See footnote disclosure on Slide 43.

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Participants in the Solicitation. ESS, ACON and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from ACON's shareholders in connection with the proposed transaction. A list of the names of such directors, executive officers, other members of management, and employees, and information regarding their interests in the business combination will be contained in ACON's filings with the SEC, and such information and names of ESS's directors and executive officers will also be in the Registration Statement on Form S-4 to be filed with the SEC by ACON, which will include the proxy statement of ACON. Additional information regarding the interests of such potential participants in the solicitation process will also be included in the registration statement (and will be included in the definitive proxy statement/prospectus) and other relevant documents when they are filed with the SEC.


Game Changing Technology
The Power Grid of the Future – Feasible Today
STABLE. SECURE. CLEAN.

Transaction Overview

Category Catalyst in Long Duration Energy Storage Solutions

ESS
- Founded in 2011 to enable the stable, decentralized and decarbonized power grid of the future

Offering Size
- ACON S2 (NASDAQ: STWO): a special purpose acquisition company
- $250 million cash in trust
- PIPE size of $250 million

Valuation
- $1,072 million pro forma enterprise value
- Attractive value, high-growth, genuinely sustainable business

Capital Structure
- ESS shareholders rolling 100% of equity
- $465 million net proceeds (assuming no redemptions)
- Fully funded to projected cash flow profitability

ESS' Key Investors and Partners

BASF, Breakthrough Energy Ventures, SB Energy, evergy ventures, ptt, PANGAEA VENTURES LTD.

Leadership

ESS INC

Craig Evans
President & Founder

Eric Dresselhuys
CEO
(March 2021)

Julia Song
CTO & Founder

Amir Moftakhar
CFO

ACON S2

Adam Kriger
CEO & Director

John Roush
CFO & Chairman

Alan Greenshields
ACON Advisor

Note For additional information, please refer to the Detailed Transaction Overview on p. 36 of this presentation.

We Must Reimagine the Grid

Aging Infrastructure

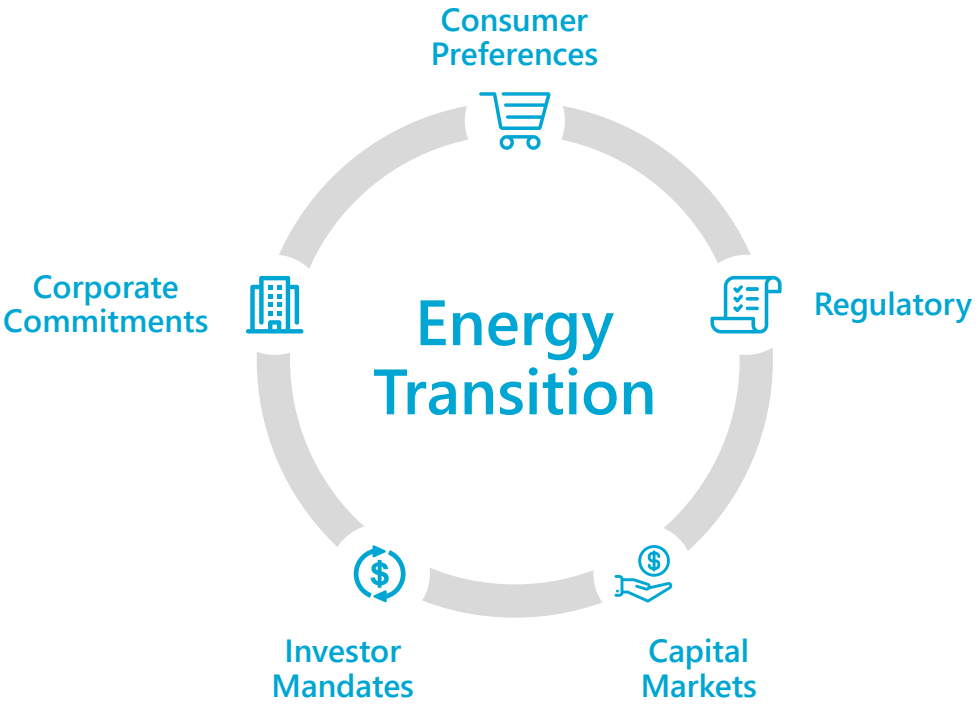
Severe Weather Events

Rising Renewables Penetration

Growing Energy Demand

Energy Transition is Building Momentum

Stakeholders are aligned to accelerate the energy transition towards a more sustainable future



"Anybody who has the breakthrough on battery storage is going to have the key to the future"

John Kerry (U.S. Special Presidential Envoy for Climate)

"It's a question of when, not if, the global economy will shift way from fossil fuels"

Bloomberg

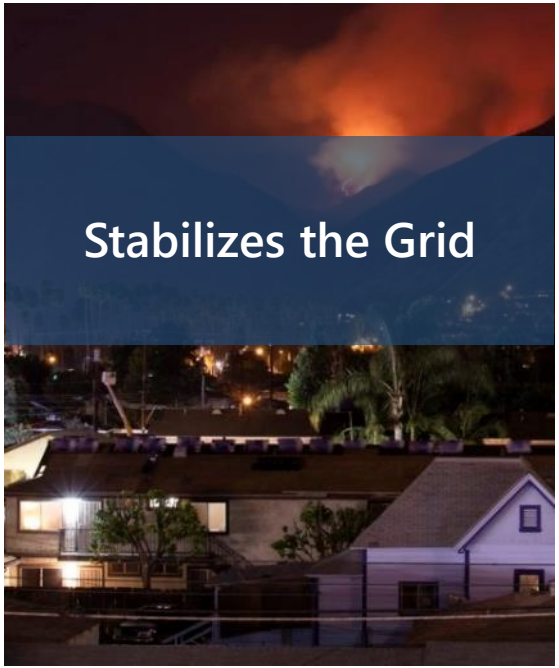
"Renewables should supply 90% of all energy needs…fossil fuel usage would fall by 75%"

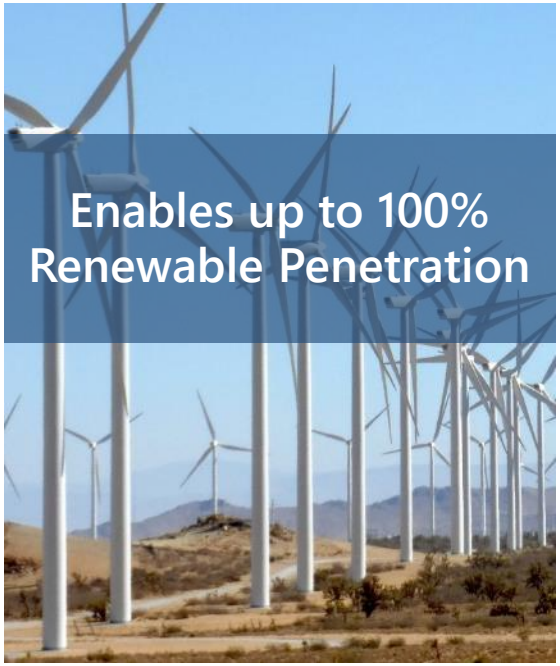
IRENA

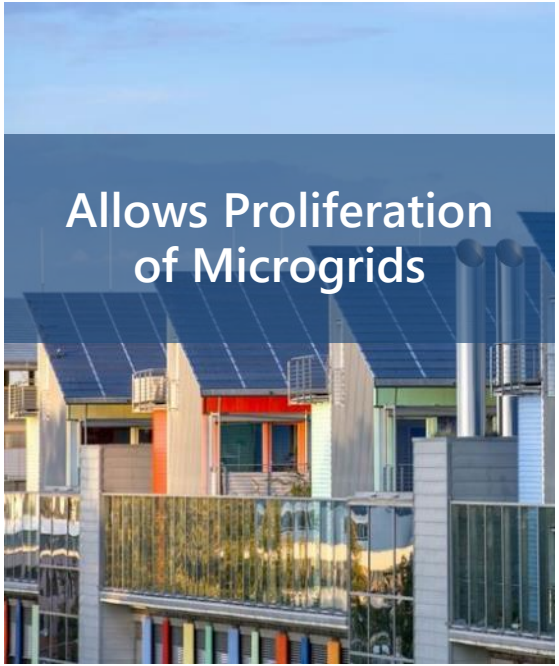
"Transmission and energy storage certainly have critical roles to play, with broader interconnection and high voltage transmission corridors to build regional resilience"

Nuclear Innovation Alliance

ESS is a Game Changer in Long Duration Energy Storage







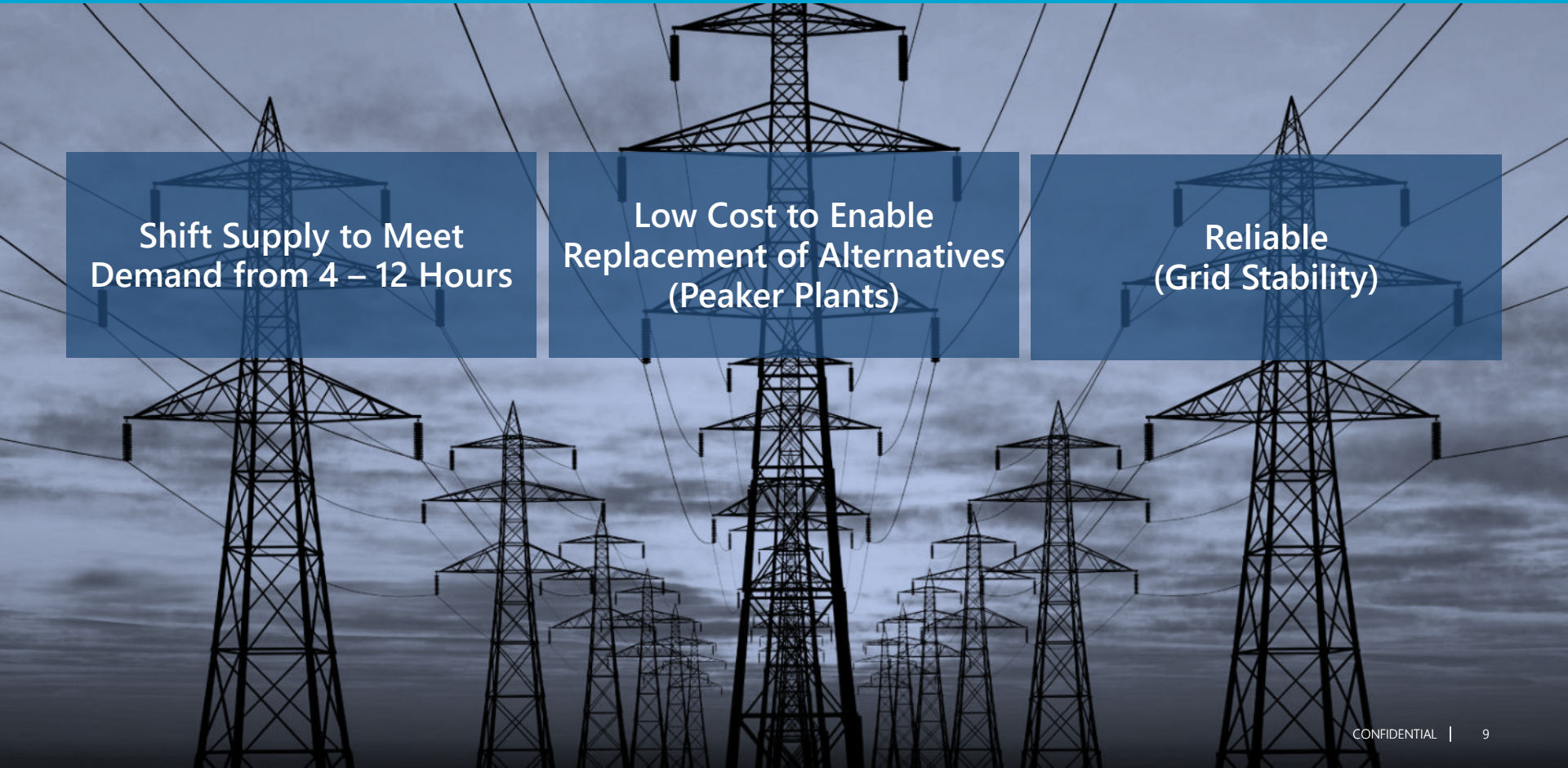
ESS: A Category Defining Investment Opportunity

1. **Large and Fast-Growing TAM**: ~$56bn by 2027 growing at a 33% CAGR[1]
2. **Simple Yet Revolutionary Technology:** Iron, salt and water; strong patent portfolio
3. **Compelling Value Proposition:** Highest performance, lowest cost[2] and most sustainable
4. **Low Risk Expansion Plan:** Field proven[3] technology with low-cost manufacturing build out
5. **$7bn of Identified Opportunities[4]:** $300m+ SoftBank Energy framework agreement through 2026
6. **Premier Management Team:** Founders and inventors supported by an experienced team

1 Guidehouse Insights, 'Market Data: Utility-Scale Energy Storage Market Update', 3Q 2020; Guidehouse Insights, 'Market Data: Energy Storage for Microgrids and Remote Power Systems', 2Q 2020; and Navigant Research, 'Distributed Energy Storage Overview', 4Q 2019.
2 Management Estimates of levelized cost of storage (LCOS) among long duration Storage Systems.
3 Based on our Generation I products, which are no longer deployed.
4 Our $7.0 billion pipeline of visible potential opportunities for 2021 through 2027 was determined based on named projects with customers ESS has spoken to and signed non-disclosure agreements with in order to discuss the projects. We have assumed project volumes of eight, 10 and 12-hour energy storage durations and pricing based on our current 2021 pricing for our products. Actual pricing will be project specific. Our pipeline includes both Energy Warehouse and Energy Center projects and global opportunities. There is no assurance that we will enter into all of the markets that we have projected in our pipeline.

Market Opportunity

What Is Long Duration Storage?



Shift Supply to Meet Demand from 4 – 12 Hours

Low Cost to Enable Replacement of Alternatives (Peaker Plants)

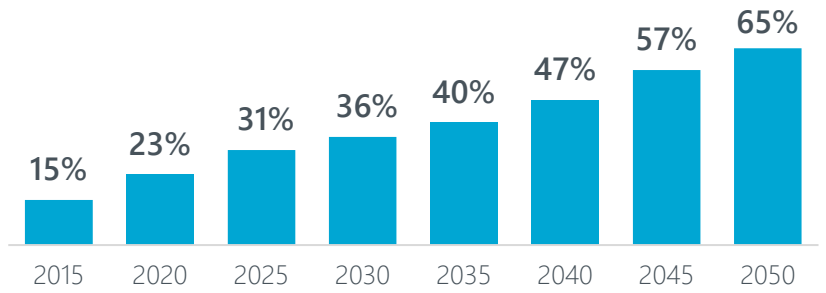
Reliable (Grid Stability)

ESS Transforms the Value Proposition for Long Duration Storage

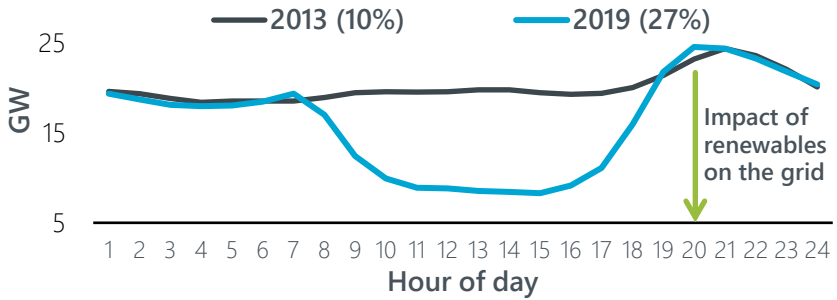
What Customers Demand	ESS INC	How ESS Transforms the Grid
Longer Duration	▪ Up to 12 hours ▪ Flexibility allows multiple revenue streams	▪ Can replace coal and natural gas with solar and wind power ▪ Greater resiliency to unexpected events
Low Cost	▪ Lower LCOS than other technologies in the market ▪ Incremental cost of storage <$20/kWh	▪ Step function improvement in economics of storage ▪ Enables multiple use cases
Power On Demand	▪ <1 second response time ▪ >20,000 cycle life – $0 marginal cost per cycle	▪ Improved grid resiliency and flexibility
Safety and Reliability	▪ Non-flammable, non-toxic, no explosion risk ▪ Munich RE insures technology risk	▪ Can deploy in a wide range of geographies and climates ▪ Customers can be confident in a long-term solution
Sustainability	▪ Easily sourced materials; recyclable components ▪ "Plug and play" with 25-year operating life	▪ Environmentally sustainable ▪ Accelerates clean energy transition

Stabilize the Grid and Accelerate Renewables

US Renewable Energy Penetration (2015-2050)[1]



California Duck Curve and % Renewable Penetration[1,2]



Renewable intermittency creates a massive problem for the grid, particularly >25% penetration

- Carbon-free is the goal
- Intermittency and curtailment are barriers
- 4-hour storage does not efficiently bridge the duck curve
- Longer duration solutions enable peaker plant replacements

1 BloombergNEF.
2 IEA, "The California Duck Curve", December 2019. % figures represent solar and wind power penetration in each year.

Fortify the Grid for Climate Change

Climate change will result in more unpredictable weather events including extreme temperatures, hurricanes and wildfires[1]

Texas Freeze

ESS batteries operate efficiently in extreme hot and cold weather and still maintain grid stability

Texas was seconds away from complete grid failure, which could have taken months to bring back online

California Fires

ESS batteries are safe for people and the environment: non-flammable and non-toxic

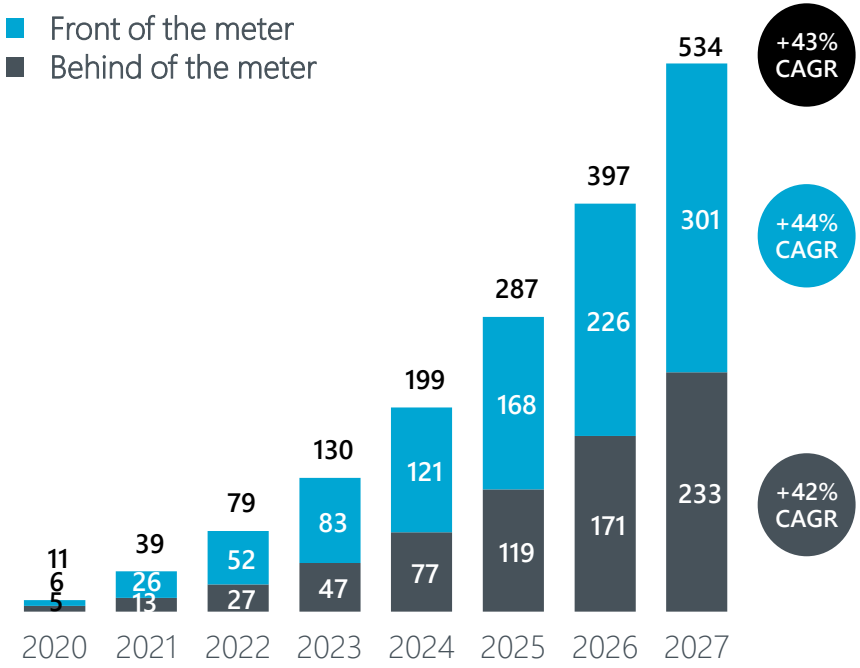
Microgrids

ESS enables independence

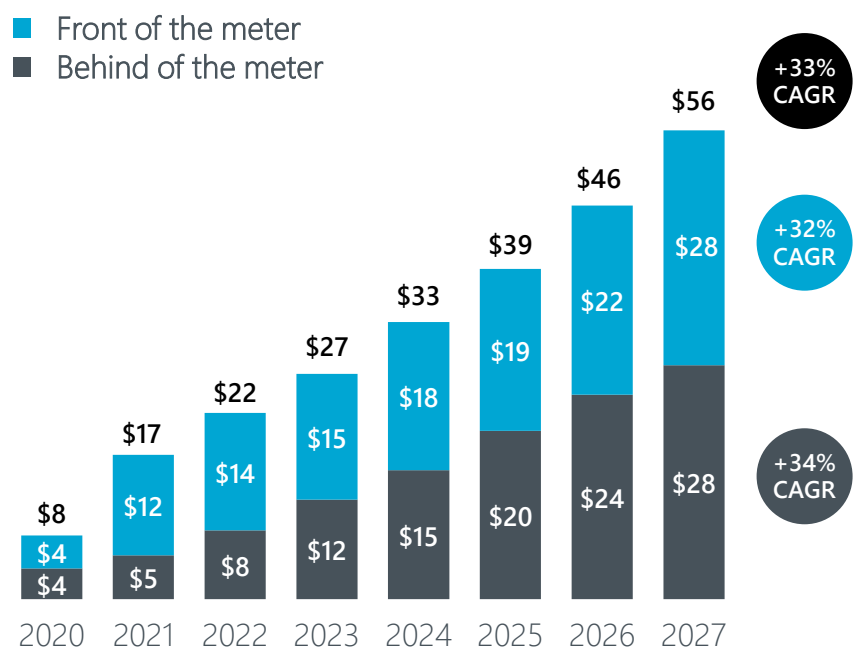
1 Diffenbaugh, N., 'Verification of extreme event attribution: Using out-of-sample observations to assess changes in probabilities of unprecedented events.' Science Advances, Vol. 6, No. 12. 18 March 2020.

Strong and Growing Demand for Energy Storage

Cumulative Additions to Global Storage Capacity (GWh)



Global Total Addressable Market ($bn)



ESS has observed even greater demand from customers than these current analyst estimates

Source Guidehouse Insights, 'Market Data: Utility-Scale Energy Storage Market Update', 3Q 2020; Guidehouse Insights, 'Market Data: Energy Storage for Microgrids and Remote Power Systems', 2Q 2020; and Navigant Research, 'Distributed Energy Storage Overview', 4Q 2019.

ESS Wins on Performance

	ESS	Li-Ion
Operational Flexibility	4-12 hrs; 16+ hrs	<4 hrs
Longer Asset Life	Unlimited cycles, no capacity loss	6,000 cycles[1]
Superior Ambient Operating Temperature	-10°C- 60°C	20-25°C
Safety	Non-flammable; No Explosion Risk	

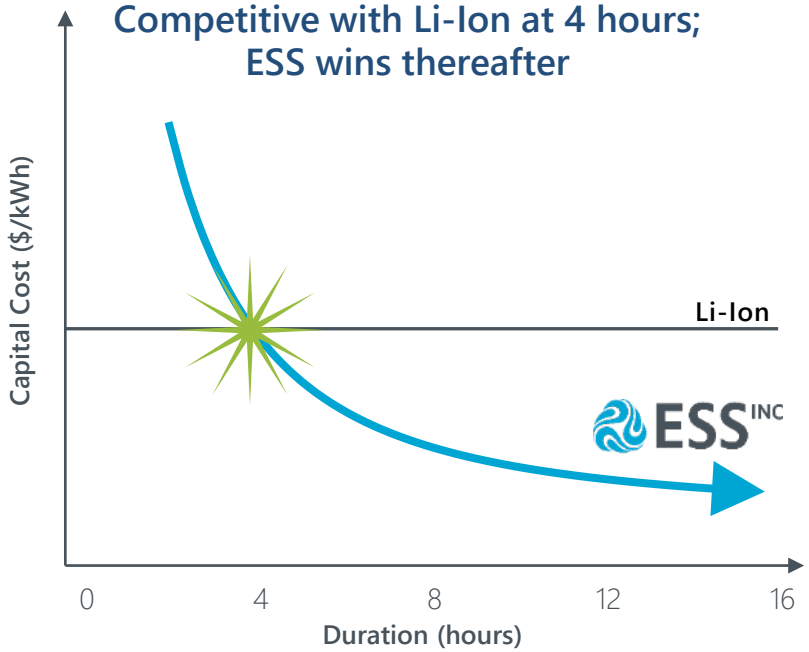
Compelling Performance

- ✓ Can cycle when needed with no impact to asset life
- ✓ Operates at peak efficiency independent of outside environment
- ✓ No heating/cooling systems needed
- ✓ Safe for deployment to urban areas or harsh and pristine environments

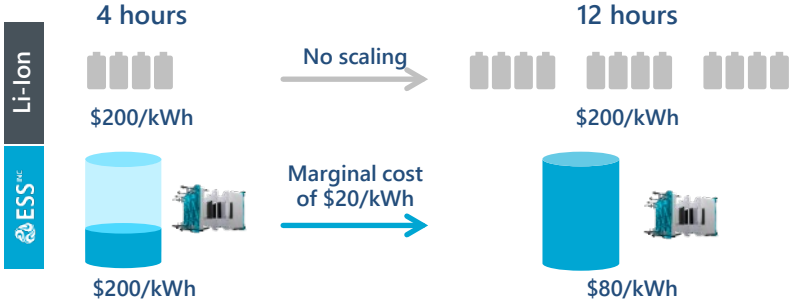
1 Li-Ion cyclability from BYD energy storage system factsheets.

ESS Wins on Cost

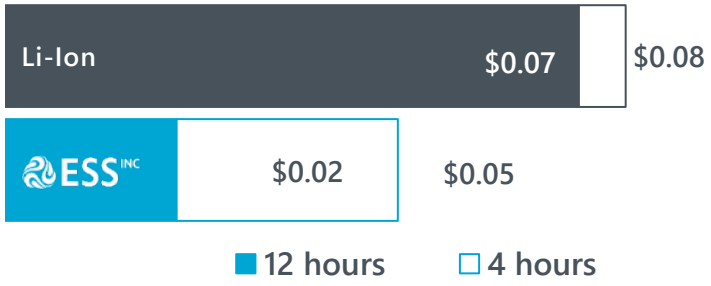
Illustrative Cost Comparison Versus Li-Ion



How ESS' Technology Delivers Superior Economics[1]



LCOS at 4 hours vs. 12 hours[2]



1 Figures shown are illustrative.

2 Superior economics based on Levelized Cost of Storage (LCOS). $LCOS = \frac{\sum. CapEx + \sum. Installation + \sum. Disposal + \sum. O\&M}{\sum. Annual\ Usable\ KWh}$

ESS Wins on Sustainability

Sustainability Focus Areas	ESS INC
Responsibly Sourced Materials	Raw ingredients of iron, salt and water are earth-abundant
Global Warming Potential (GWP)	67% lower CO_2 emissions than Li-Ion[1]
Recyclability	Contains no toxic materials and requires no special permits for disposal[2]

Note GHG impact is dependent on specific Li-Ion chemistry.

1 He, H. et al. "Flow Battery Production: Materials Selection and Environmental Impact." Journal of Cleaner Production. Vol. 269. 1 October 2020.
Noguera, E., Comparative LCA of stand-alone power systems applied to remote cell towers, 2014.

2 No hazardous materials compliance plan required.

ESS is a Category Defining Technology for Long Duration Storage

	ESS INC	Li-Ion	Li Metal	Vanadium, Zinc Bromine	Sodium Sulfur	Compressed Air	Pumped Hydro
Low cost at 4 – 12 hours	●	○	○	●	○	○	○
Field proven[1]	●	●	○	●	●	○	●
Earth abundant materials	●	○	○	●	●	●	●
Unlimited cycling	●	○	○	○	○	●	●
Zero capacity fade	●	○	○	○	○	●	●
Wide operational temperature range	●	○	○	●	○	●	●
Environmentally sustainable	●	○	○	○	●	●	○
No fire/ explosion risk	●	○	○	●	○	○	●

Note 1 Internally developed table based on company data and publicly available information. Based on our Generation I products, which are no longer deployed.

ESS Technology is Proven and Insured

Munich RE

Investment-Grade Warranty

10-year extended warranty covering battery modules

Investment-Grade Project Insurance

Warranty continuity insurance provides additional surety to customers and financiers

> **" The ability to ensure battery performance is a key piece of the puzzle in decarbonizing our energy sector."**
>
> –Peter Röder, Member of the Board of Management, Munich RE

Aon

One Beacon

Surety and Corporate Bonding

Growing project surety capacity

EXIM

US Export-Import Bank Qualified

Pre-qualified financing available for overseas buyers

ESS is Winning in the Market Today

Customer in California

Use Case

- Microgrid solutions required to mitigate Public Safety Power Shutdown impacts
- Li-Ion solutions disqualified due to wildfire risk

Why ESS Won

- Energy Warehouse™ deployed
- Best-in-class safety record
- Participates in CAISO
- Provides local utility grid support during non-PSPS months

Customer in Patagonia

Use Case

- Remote grid served by RoR hydro + diesel gensets
- Storage systems required to minimize genset usage

Why ESS Won

- 300 kW/2 MWh Energy Warehouse™ deployed
- Client abandoned Li-ion RfP after recognizing ESS' 3x greater peaker replacement capability
- $3.1M incremental savings over Li-Ion
- Avoids 12 years of diesel genset emissions

Technology Overview

Technological Breakthrough, Field Proven and Shipping Now

Iron Flow first conceived in 1970s	But "dirty" electrolyte caused rapid degradation	Technological breakthrough – Proton Pump eliminates power fade and limits on cycle life	Field proven[1]; S200 shipping now	R&D roadmap for additional breakthroughs to extend technology advantage

Technological Success Proven Over Time

2011
Company formed
Developed lab scale battery

2012
Awarded ARPA-e grant for development of Iron based battery

2014
Demonstrated 10,000+ operating cycles in the lab

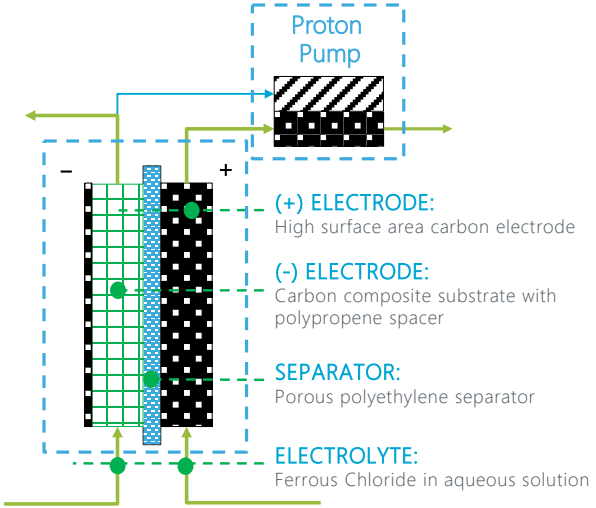
2015
First commercial deployment

2017
Gen I EW product line launched

2019
S200 commercial battery module launched

2020
Installed S200 automated assembly line
Energy Center™ product line launched

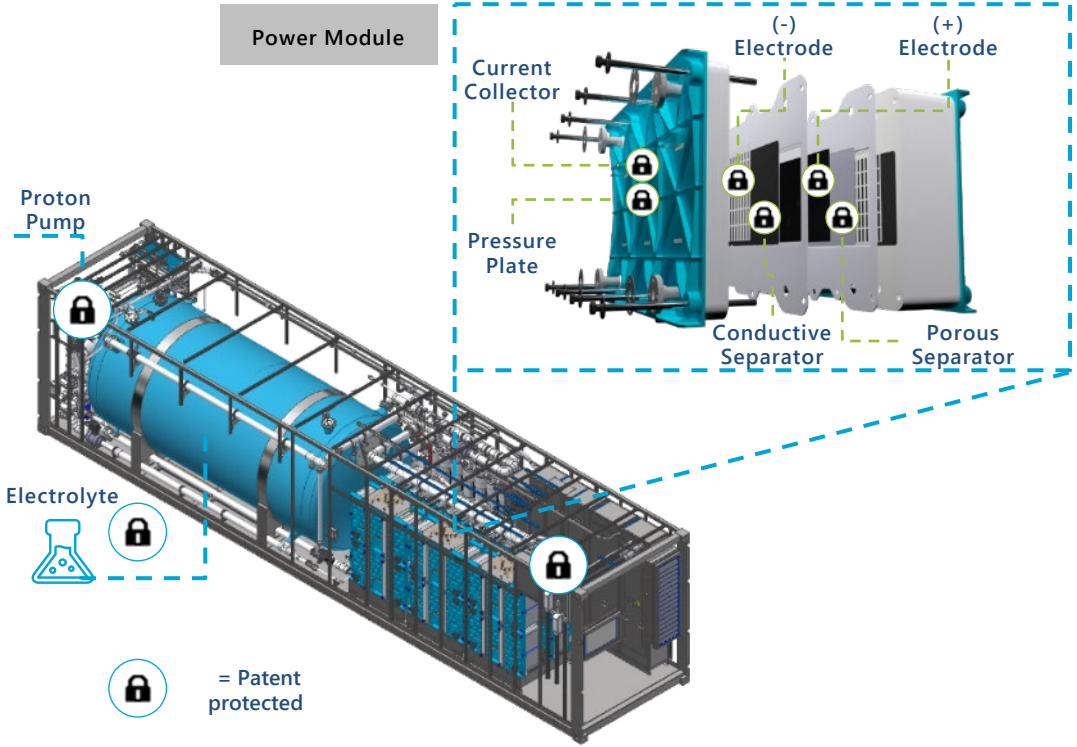
Innovative Technology



1 Based on our Generation I products, which are no longer deployed.

Robust Intellectual Property Portfolio

ESS Critical Technology



ESS IP Portfolio

- 125+ Patents Granted and in Pipeline Pending Applications
- Undisclosed Number of Trade Secrets and Identified Patents
- World-leading Iron Flow expertise, and roadmap to additional breakthroughs and advantages
- ~57% Employees Have an Engineering Background[1]

1 As of March 25, 2021.

Business Overview

Strong Team Positioned to Grow the Business

Management Team

CRAIG EVANS
President & Founder

ERIC DRESSELHUYS
Chief Executive Officer
(March 2021)

AMIR MOFTAKHAR
Chief Financial Officer

DR. JULIA SONG
CTO & Founder

HUGH MCDERMOTT
Senior Vice President
Business Development

MATT BERKEBILE
Vice President
Operations

BRIAN LISIECKI
Vice President
Business Systems

RANDY LEWIS
Vice President Quality

Board of Directors

MICHAEL NIGGLI
Chairman, San Diego Gas
& Electric Co & Entergy

CRAIG EVANS
President & Founder

ERIC DRESSELHUYS
Chief Executive Officer
(March 2021)

RICH HOSSFELD
Board Member,
SoftBank Energy

RAFFI GARABEDIAN
Board Member,
First Solar

KYLE TEAMEY
Board Member,
Breakthrough Energy
Ventures

DARYL WILSON
Board Member,
Hydrogenics, ATS
Automation

SHIRLEY SPEAKMAN
Board Member,
Cycle Capital

One Technology – Two Products of Different Scale

Energy Warehouse at Jean Airport

Energy Warehouse™

- Behind the meter solution
- 50kW – 90kW configurable range
- First commercial deployment in 2015
- Generation II launched in 2020
- Containerized design for turnkey delivery
- Fast to build and commission

Energy Center™

- Front of the meter solution
- Customizable configuration range
- Customer trials starting in 2021
- "Battery in a Building" platform
- Modular design for utility-class

Validated by a Blue-Chip Customer Base

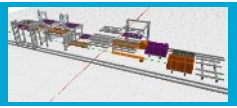
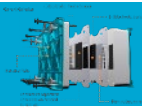
	Utilities EW ● ● EC	IPPs/Developers EW ○ ● EC	Commercial & Industrial EW ● ○ EC
Demand Drivers	▪ Peaker replacements ▪ T&D upgrade deferrals ▪ Wildfire resiliency ▪ Distributed energy services products	▪ Peaker replacements ▪ Resource adequacy & grid reliability ▪ 24/7 power supply ▪ Microgrids	▪ Energy cost savings ▪ Operational resiliency ▪ RE integration ▪ Carbon footprint reduction/ESG goals
Select Customers / Use Cases	Engie San Diego Gas & Electric	SB Energy (SoftBank Group) SWORD STONE	Applied Medical Pacto Energia
Select Pipeline	ČEZ Group Duke Energy Naturgy Grupo SAESA PacifiCorp	ConEdison Energy Enel Starwood Energy SUNRISE ENERGY	Honeywell Idimax Marathon transelec

Note "EW" refers to Energy Warehouse™, "EC" refers to Energy Center™.

Strategy to Scale Globally

ESS' ability to grow is supported by

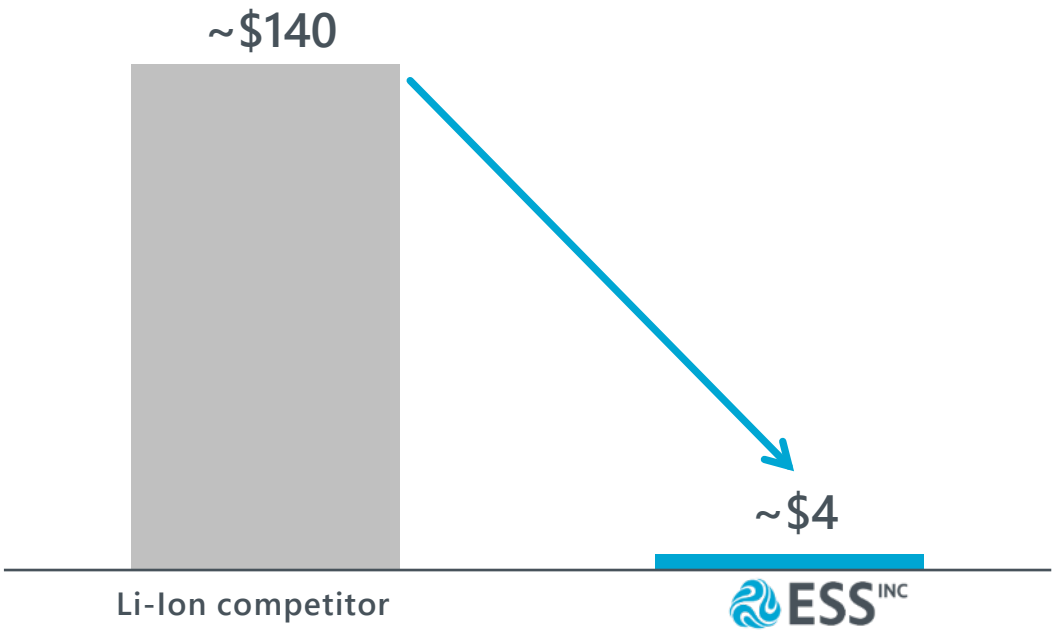
- ✓ Relationships in Europe and Asia-Pacific
- ✓ Automated manufacturing process
- ✓ Supply chain of readily sourced components and raw materials

2021	2022	2023	2024	2025
150,000 sq. ft. manufacturing facility in Oregon Robotic automation cell designed and built by ESS	Strategic investments in supply chain to grow capacity Roll out of redesigned automation cells (2x efficiency)	Australia manufacturing go-live for EW with LOI on Brisbane facility	Australia manufacturing go-live for EC and Power Module Europe manufacturing go-live for EC and EW	Europe Power Module manufacturing go-live Vertically integrate power module comportments
				

97% Less Capital Required – Ready to Scale Globally

Simple, Low-cost Production in the USA

$in millions/GWh of Battery Module Production Capacity



Source Lux Research.

Simple, automated ESS manufacturing line

Expensive, complex Li-Ion battery manufacturing line

Capital Investment Will Enable Rapid Expansion

Net Cash for Growth

~$493m[1]

Increase Manufacturing Capacity

Fully funds capital plan to increase capacity from >250MWh in 2021 to 16GWh by 2025

Launch Energy Center™

Deploy product that is optimized for the fast-growing utility-scale storage segment

Expand Sales Footprint

Hire new sales team members and expand production footprint into Europe and Australia

Strengthen Balance Sheet

Supports credit requirements to convert large projects in pipeline

Further Extend Technology Advantage

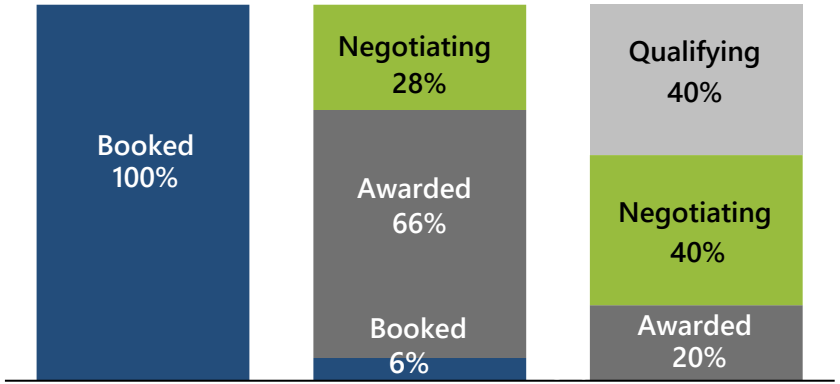
Higher performance electrolyte to enable an 85% reduction in cost per megawatt hour by 2025

1 PF 12/31/2020 net cash assumes funding of $27.5m of C-2 raise, of which $16m has yet to be funded; amount is expected to be funded prior to transaction close. Net cash also includes $1.5m of restricted cash. For additional information, please refer to the Detailed Transaction Overview on p. 36 of this presentation.

Financial Forecast

High Quality Pipeline

Projected Pipeline for Energy Center™ and Energy Warehouse™

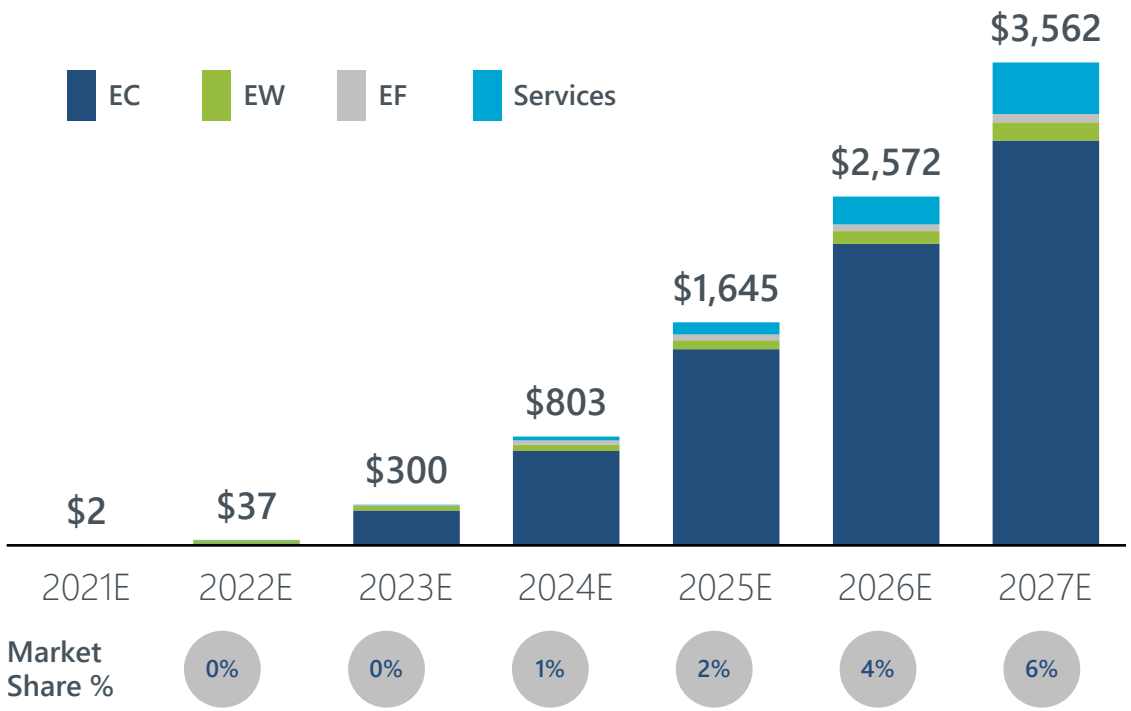


Global Identified Opportunities

$7+ Billion Pipeline for Continued Growth in Outer Years

ESS' Robust Revenue Growth

Projected Revenue by Product Offering ($in millions)

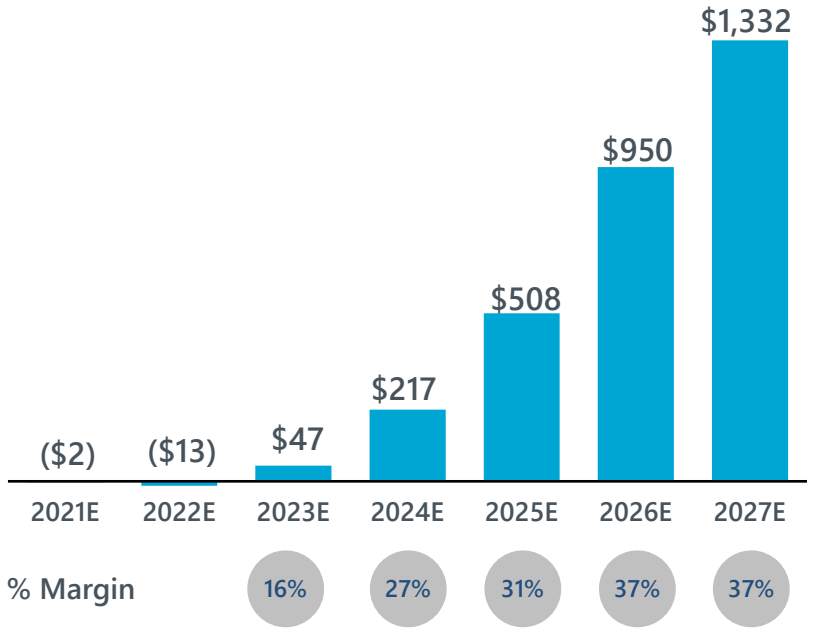


- Growth accelerates as Energy Center deployments start in 2023
- Forecast driven by identified pipeline of near-term opportunities
- ESS expansion into Australia (2023) and Europe (2024) supports continued growth
- Energy Franchise lease and Services revenue streams become bigger contributors as ESS expands

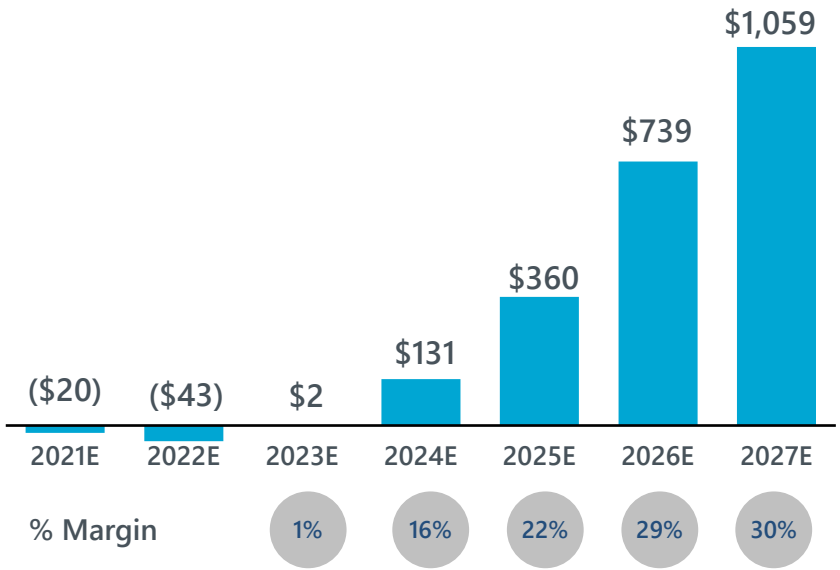
Note Total addressable market value for the microgrid, distributed energy and utility industries from Guidehouse Insights.

ESS Delivers Compelling Profitability

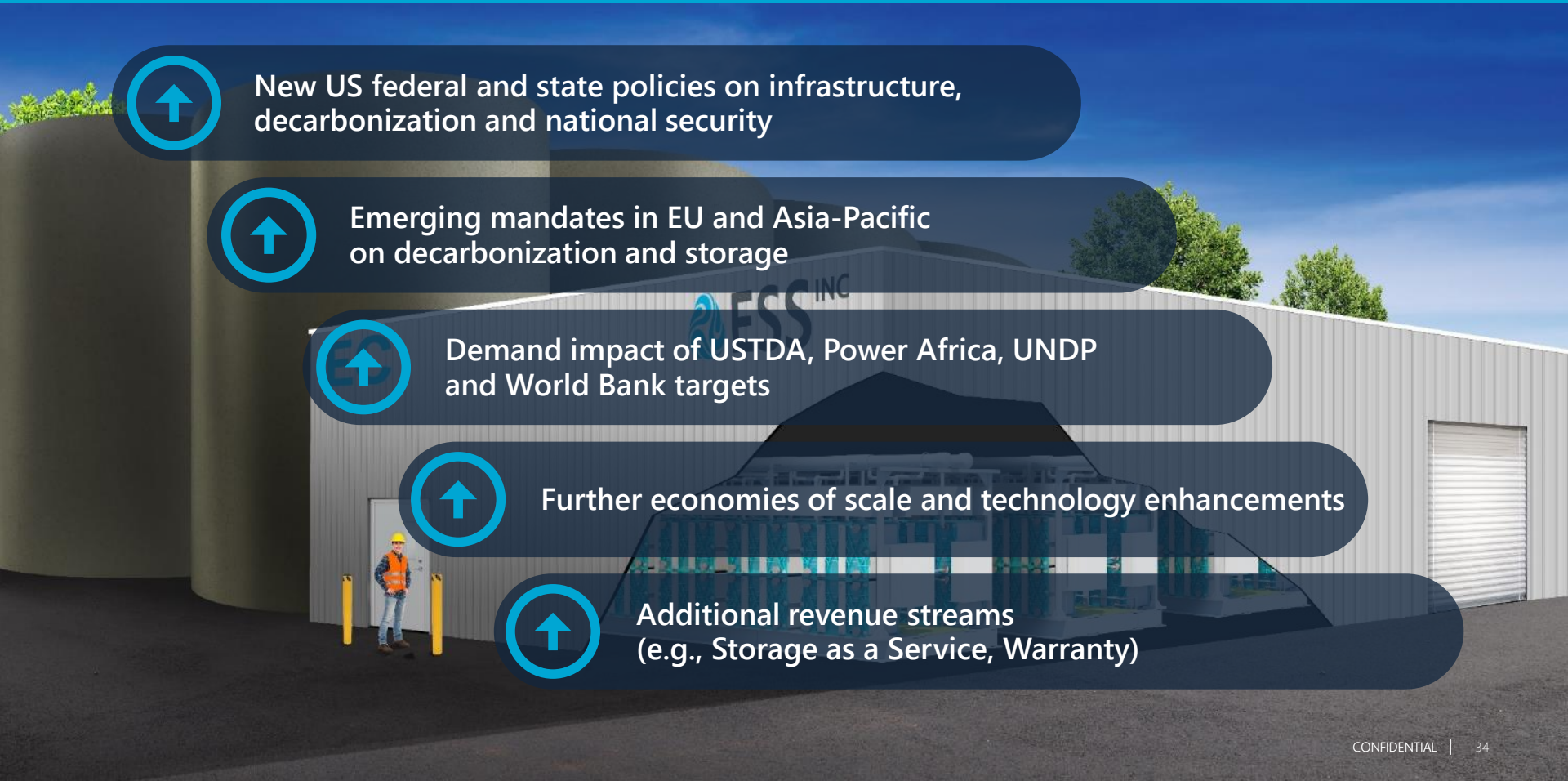
Projected Gross Margin ($in millions)



Projected EBITDA ($in millions)



Potential Upside to Business Plan



- New US federal and state policies on infrastructure, decarbonization and national security
- Emerging mandates in EU and Asia-Pacific on decarbonization and storage
- Demand impact of USTDA, Power Africa, UNDP and World Bank targets
- Further economies of scale and technology enhancements
- Additional revenue streams (e.g., Storage as a Service, Warranty)

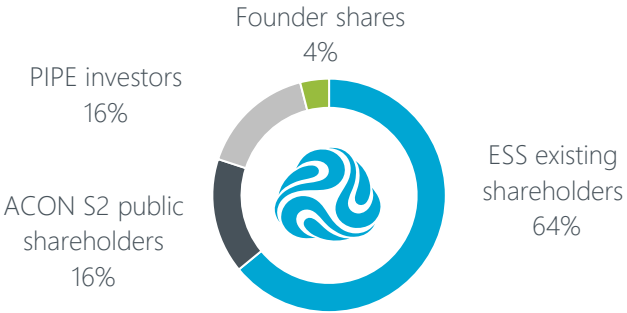
Valuation Overview

Detailed Transaction Overview

Transaction Overview

- Pro forma enterprise value of $1,072 million (0.7x 2025E Revenue)
- $465 million cash proceeds inclusive of $250 million PIPE proceeds and transaction expenses assuming zero redemptions[1]
- Pro forma net cash of $493 million[1,2]
- Inclusive of $28 million existing net cash on balance sheet[2]
- ESS shareholders are rolling 100% of equity ownership

Pro Forma Ownership @ $10.00 per share[1,2,3]



Illustrative Pro Forma Valuation and Sources & Uses

($ in millions, except per share data; shares in millions)

Total Enterprise Value Summary	
Pro forma shares outstanding	156.5
(x) ESS share price	$10.00
Pro Forma Equity Value	**$1,565**
(-) Current cash[2]	(28)
(-) Net proceeds[1]	(465)
Pro Forma Enterprise Value	**$1,072**

Valuation Multiples	Metric	Multiple
EV / 2025E Revenue	$1,645	0.7x
EV / 2025E EBITDA	$360	3.0x

Sources	$	%	Shares
Rollover equity	1,003	64%	100.3
ACON S2 cash in trust	250	16%	25.0
PIPE investment[1]	250	16%	25.0
Founder Shares	63	4%	6.3
Total sources	**$1,565**	**100%**	**156.5**

Uses	$	%
Rollover equity	1,003	64%
Cash to balance sheet	465	30%
Founder shares	63	4%
Estimated fees and expenses	35	2%
Total uses	**$1,565**	**100%**

Note Figures may not sum due to rounding.

1 SB Energy Global Holdings Limited and Breakthrough Energy Ventures, LLC, existing equity investors in ESS, have indicated an interest in investing an aggregate of $51.5 million in the offering. These existing investors are expected to agree to reduce the amount of their existing option to invest in the C-2 raise to an aggregate of $16 million, which amount would be invested (if such option is exercised) immediately prior to the closing of the offering. In exchange for this agreement, such investors would receive warrants to purchase an aggregate of 14,364,222 shares of ESS Series C-2 preferred stock at an exercise price of $0.001 per share, which warrants would automatically be net-exercised immediately prior to the closing of the offering or terminate unexercised if the offering does not close.

2 Pro forma 12/31/2020 net cash assumes funding of an aggregate of $27.5 million in the C-2 raise, of which $11.5 million has been funded and $16 million is expected to be funded by SB Energy Global Holdings Limited and Breakthrough Energy Ventures, LLC, as described in the footnote above. Net cash also includes $1.5 million of restricted cash.

3 Additional dilutive securities include 8.3m ACON S2 public warrants, 4.1m founder warrants and $165m shareholder earnout.

Selected Public Comparable Universe

ESS INC

Battery Storage

QuantumScape

stem

eos

Supporting Characteristics	Considerations
✓ Growth stage battery companies	✗ Primarily lithium-ion technologies ✗ Focused on short-duration or EV end markets

Fuel Cell and Electrolyzers

BALLARD

Bloomenergy

ITM POWER
Energy Storage | Clean Fuel

PLUG POWER

Supporting Characteristics	Considerations
✓ Technology with long-duration storage applications	✗ Not reliant on battery technology ✗ Significantly less efficient

Renewable Technologies

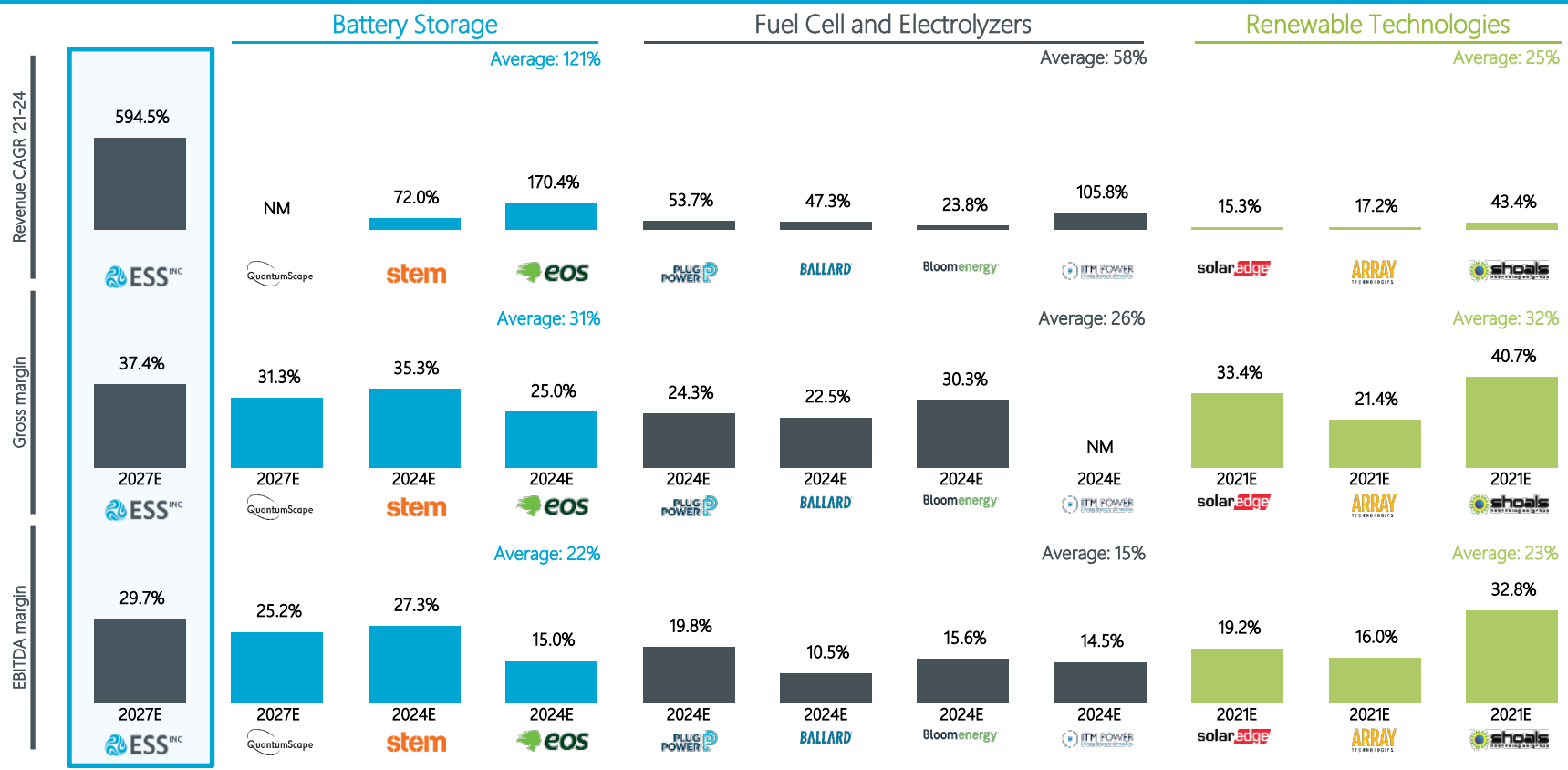
ARRAY TECHNOLOGIES

shoals technologies group

solaredge

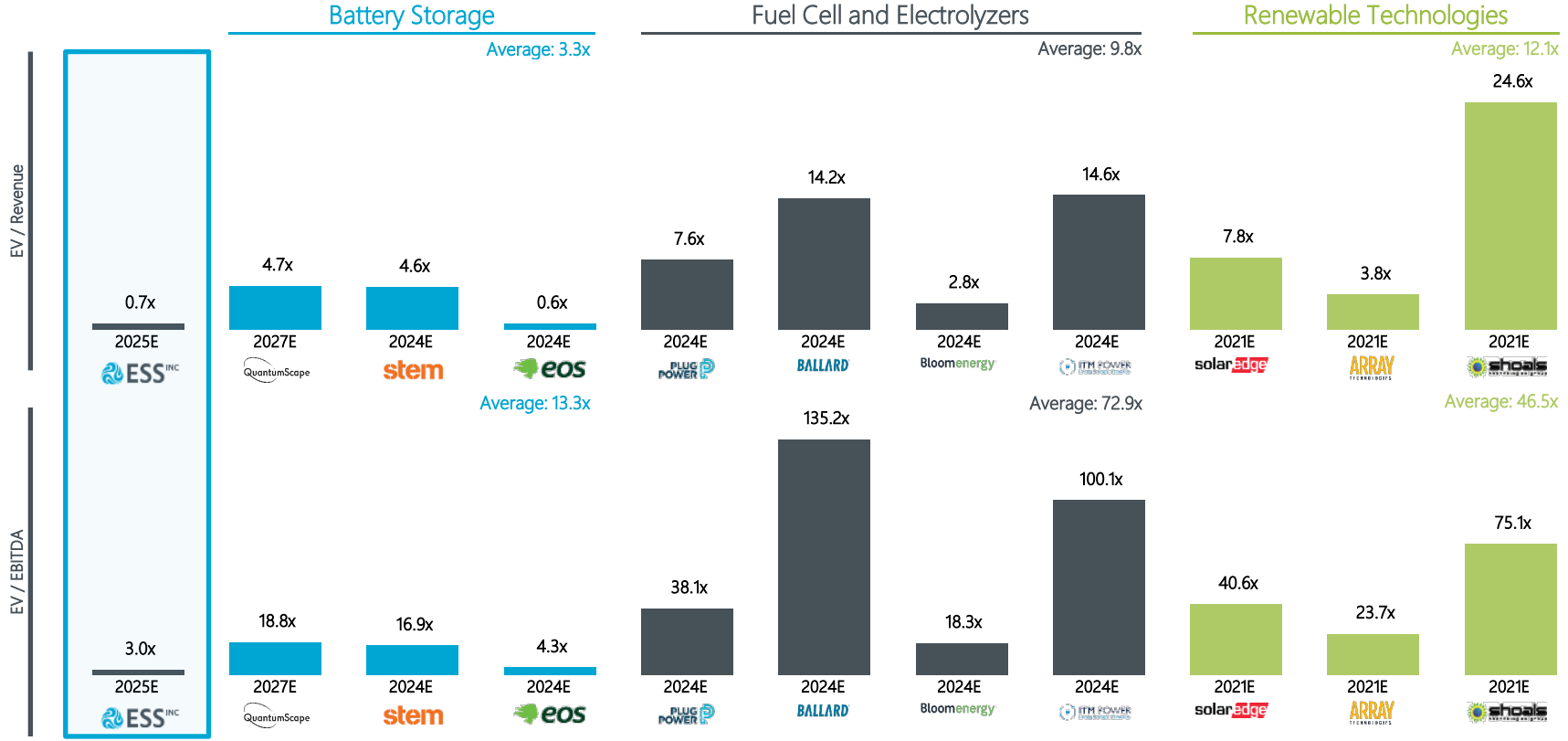
Supporting Characteristics	Considerations
✓ Growth is tied directly to significantly increasing renewable penetration	✗ Part of solar supply chain and not reliant on battery technology

Selected Operational Benchmarking



Source Company management, public filings and FactSet as of April 28, 2021.
Note QuantumScape, Stem and EOS revenues, gross income and EBITDA based on company investor presentations.
NM denotes not meaningful or negative.

Selected Valuation Benchmarking

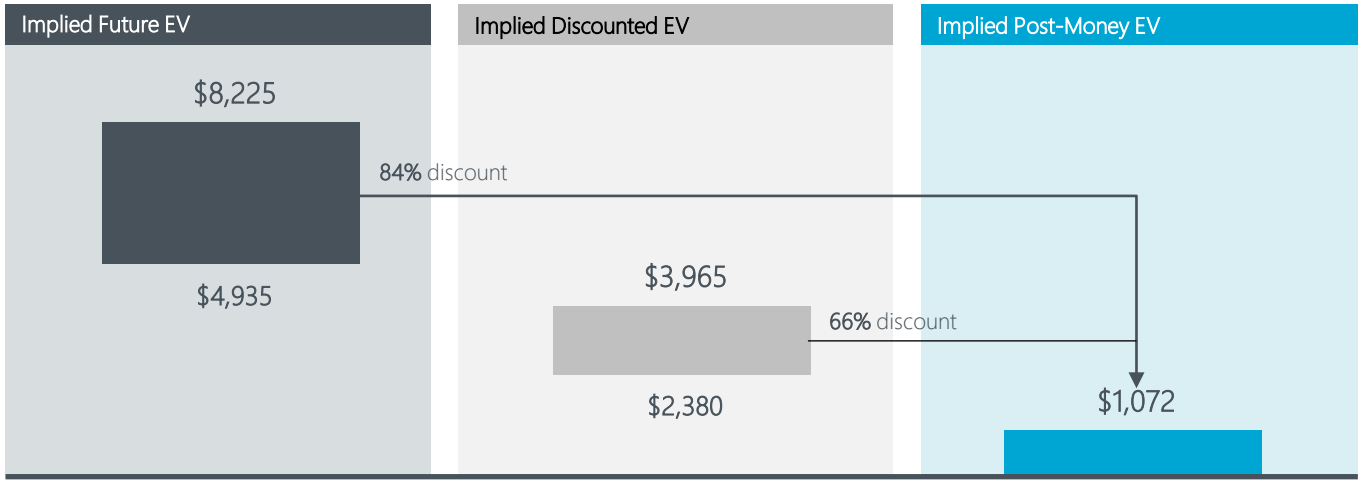


Source Company management, public filings and FactSet as of April 28, 2021.
Note QuantumScape, Stem and EOS revenues, gross income and EBITDA based on company investor presentations.

Transaction Priced at a Discount to Peer Multiples

Implied EV Based on Selected Comparable Companies Trading

($ in millions; implied future and discounted EV rounded to the nearest $5m)



Transaction Value

Implied Multiples	Implied Future EV	Implied Discounted EV	Implied Post-Money EV
EV/2025E Revenue	3.0x – 5.0x	1.4x – 2.4x	0.7x
EV/2025E EBITDA	13.7x – 22.9x	6.6x – 11.0x	3.0x

Valuation Approach

- Using a future valuation date of 6/30/2025, ESS is valued by applying 2025E revenue of $1,645m to an EV/CY'21E revenue multiple of 3.0 – 5.0x based on peer multiples, resulting in an implied future EV of $6,580m at the midpoint
- The implied future EV is then discounted at a 20% rate over a 4 year period to arrive at an implied present value of $3,173m at the midpoint[1]
- Transaction priced at a substantial discount

Note 1 Company projections.
Assumes a 20% discount rate; based on midpoint of implied future enterprise value of $6,580m.


ESS INC
CATALYZING A CLEANER FUTURE
EW™

Appendix

PF Summary Financials*

Values in 000s	2021	2022	2023	2024	2025	2026	2027
Revenue							
Product - EW Purchase & Lease	$2,381	$22,679	$34,520	$47,203	$66,328	$94,808	$135,248
Product - EC Purchase	–	$14,224	$256,249	$696,998	$1,447,504	$2,222,420	$2,986,242
Product - EF Purchase	–	–	$4,177	$28,696	$41,797	$50,522	$61,113
Service Agreement	$15	$314	$5,535	$29,808	$88,884	$203,964	$379,833
Total Revenue	**$2,396**	**$37,217**	**$300,481**	**$802,704**	**$1,644,513**	**$2,571,715**	**$3,562,436**
Market Share (%)	*0%*	*0%*	*1%*	*2%*	*4%*	*6%*	*6%*
Cost of Goods Sold	$4,560	$50,424	$253,087	$585,929	$1,136,469	$1,622,129	$2,229,953
Gross Profit	**($2,163)**	**($13,207)**	**$47,393**	**$216,776**	**$508,044**	**$949,586**	**$1,332,483**
Gross Margin (%)	*NM*	*NM*	*16%*	*27%*	*31%*	*37%*	*37%*
Total Operating Expense	**$17,659**	**$29,854**	**$45,841**	**$86,264**	**$148,230**	**$210,718**	**$273,590**
EBITDA	**($19,822)**	**($43,062)**	**$1,552**	**$130,511**	**$359,813**	**$738,868**	**$1,058,894**
Margin (%)	*NM*	*NM*	*1%*	*16%*	*22%*	*29%*	*30%*
Depreciation	$432	$4,712	$17,737	$32,842	$46,508	$63,580	$69,824
Interest Expense	–	$59	$287	$414	$530	$656	$817
Taxes (net of NOL)	–	–	–	–	$56,715	$141,673	$207,533
Net Income (Loss)	**($20,255)**	**($47,833)**	**($16,472)**	**$97,255**	**$256,061**	**$532,959**	**$780,720**
	NM	*NM*	*NM*	*12%*	*16%*	*21%*	*22%*
CapEx							
Maintenance CapEx	($3,259)	($8,240)	($8,487)	($8,742)	($9,004)	($9,274)	($9,552)
Leased Equipment	–	($7,980)	($6,680)	($6,532)	($8,100)	($10,270)	($13,875)
Manfacturing Capacity Growth CapEx	($500)	($21,200)	($49,000)	($93,500)	($31,500)	($87,000)	($124,162)
Total CapEx	**($3,759)**	**($37,420)**	**($64,167)**	**($108,774)**	**($48,604)**	**($106,544)**	**($147,589)**
Portion of Revenue (%)	*157%*	*101%*	*21%*	*14%*	*3%*	*4%*	*4%*
EBITDA - CapEx	**($23,581)**	**($80,482)**	**($62,615)**	**$21,738**	**$311,209**	**$632,324**	**$911,305**
CFO - CapEx	**($21,145)**	**($84,544)**	**($97,759)**	**($49,913)**	**$151,619**	**$409,416**	**$664,954**
Cash on Balance Sheet	**$470,816**	**$390,967**	**$296,708**	**$249,857**	**$405,087**	**$818,909**	**$1,489,775**

Number of Units Sold	2021	2022	2023	2024	2025	2026	2027
Product - EW Purchase	*27*	*179*	*200*	*252*	*376*	*552*	*824*
Product - EW Lease	*–*	*40*	*40*	*48*	*64*	*84*	*120*
Product - EC Purchase [1]	*–*	*33*	*600*	*1,571*	*3,433*	*5,379*	*7,449*

1 Number of units sold refers to number of powertrains sold; Energy Centers are expected to contain multiple powertrains.

* As a result of developments subsequent to the date these PF Summary Financials were prepared, ESS' management believes actual operating expenses for 2021 may be higher than previously projected by up to $25.0 million. The expected increase in operating expenses for 2021 is the result of (i) higher general and administrative expenses related to public company readiness, (ii) expenses related to supply chain, parts and the launch of ESS' S200 batteries and (iii) higher research, development and ramp up activities. These additional expenses may continue to be incurred through 2022.

ACON S2 Overview

ACON S2 Strategic Sustainability

- ACON S2 Acquisition Corp. (NASDAQ: STWO)
- $250mm IPO in September 2020
- Criteria: authentic sustainability leader, significant value creation potential, strong competitive position, at an inflection point, experienced team

ACON

- 25 years of investing, AUM of ~$6B
- Over 70 investments since inception
- 31 active portfolio companies employing over 39,000 people across 32 countries

Platform for Success

- ✓ Domain Expertise
- ✓ Sustainability
- ✓ Global Network
- ✓ Public Markets
- ✓ Governance
- ✓ Capital Formation

ESS INC

A Perfect Fit for the ACON S2 Mission

Energy Warehouse™ Overview

Product Summary

- Behind the meter solution
- First commercial deployment in 2015
- Generation II launched in 2020
- Containerized design for turnkey delivery
- Fast to build and commission

Current Specifications

Configurable Range:	50kW – 90kW (peak power)
Storage Duration:	4 – 12 hours
Usable Energy:	400kWh – 600kWh
Response Time:	<1 second
Module Cycle Life:	>20,000 cycles
Ambient Temperature:	-5°C to +50°C
Expected Life:	25 year service life
Warranty:	1 yr comprehensive, 10 yr warranty backstop from Munich Re available

Product Deployments

Stone Edge Farms
10 kW/60 kWh; 2015

USACE
60 kW/225 kWh; 2016

UCSD (CA)
50 kW /400 kWh; 2017

DNV-GL (TX)
50 kW /400 kWh ; 2017

Camp Pendleton
50 kW /400 kWh; 2018

US Utility
50 kW /400 kWh; 2020

Energy Center™ Overview

Current Specifications

Configurable Range:	Customizable
Storage Duration:	6 -12 hours
Usable Energy:	Customizable
Response Time:	<1 second
Module Cycle Life:	>20,000 cycles
Ambient Temperature:	-40°C to +50°C
Expected Life:	25 year service life
Warranty:	10-year battery module, extended warranty to 25 years available

Product Summary

- Front of the meter solution
- Customer trials starting in 2021
- "Battery in a Building" platform
- Modular design for utility-class
- Power capacities starting at 3MW

Building Blocks for Existing Products

Quad Pods

Power Train