

CBAK Energy Technology, Inc.

Investor Presentation

March 2024

 中比新能源 (NASDAQ: CBAT)

Disclaimer

Disclaimers and Other Important Information

This presentation (the “Presentation”) about CBAK Energy Technology, Inc. (the “Company” or “CBAK”) is dated as of March 2021. It is information in a summary form and does not purport to be complete. The data contained herein is derived from internal records and publicly available sources. This Presentation is not intended to be relied upon as advice to potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its affiliates, directors, officers or employees as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions. We do not undertake or agree to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation that may become apparent. No person has been authorized to give any information or make any representations other than those contained in this Presentation and, if given and/or made, such information or representations must not be relied upon as having been so authorized. The contents of this Presentation are not to be construed as legal, financial or tax advice.

Forward Looking Statements

This Presentation contains “forward-looking statements” that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Presentation, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. We have attempted to identify forward-looking statements by terminology including “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” or “will” or the negative of these terms or other comparable terminology. Our actual results may differ materially or perhaps significantly from those discussed herein, or implied by, these forward-looking statements.

Any forward-looking statements contained in this Presentation are only estimates or predictions of future events based on information currently available to our management and management’s current beliefs about the potential outcome of future events. Whether these future events will occur as management anticipates, whether we will achieve our business objectives, and whether our revenues, operating results, or financial condition will improve in future periods are subject to numerous risks. There are a number of important factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements. These important factors include those that we discussed or referred to in CBAK’s disclosure documents filed with the U.S. Securities and Exchange Commission (the “SEC”) available on the SEC’s website at www.sec.gov, including CBAK’s most recent Annual Report on Form 10-K as well as in our other reports filed from time to time with the SEC. You should read these factors and the other cautionary statements made in this Presentation. If one or more of these factors materialize, or if any underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements included in this Presentation are made as of the date of this Presentation and CBAK undertakes no obligation to publicly update or revise any forward-looking statements, other than as required by applicable law.

Market and Industry Data

Industry and market data used in this Presentation is unaudited and have been obtained from publicly available third-party industry publications and sources as well as from research reports prepared for other purposes. The Company has not independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. You are cautioned not to give undue weight to such industry and market data.

No Offer or Solicitation

This Presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities of CBAK in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Recipients of this Presentation who are considering acquiring securities of CBAK are referred to the entire body of publicly disclosed information regarding CBAK. The information is subject to material updating, revision and further amendment, and is qualified entirely by reference to CBAK’s publicly disclosed information.

Snapshot of CBAK Energy

Our Mission

We are committed to the development of new energy and environmental protection technologies, electrifying the world with infinite possibilities.

✓ The 1st

Chinese lithium-ion battery company listed in the U.S.

✓ 23 Years

Operational experience in the sector

✓ 2 GWh

Current annual capacity

✓ The 1st

Chinese company to mass produce cylindrical sodium-ion batteries

✓ 6 Times

Increase year-over-year in revenues from battery business in FY2023

✓ 36 GWh

Planned annual capacity by 2027E

✓ 221 Patents

In China as of December 31, 2023

✓ Top Player

in residential energy supply and portable power supply

✓ \$107 Million

Pending orders as of March 8, 2024



Key Milestones

2006

Built China's **first-ever** automated cylindrical battery production line

Listed on NASDAQ

2007

Developed the world's first **lithium iron phosphate battery** (or LFP battery), **Model 26650**, in collaboration with **A123 Systems**



2008

Conducted **China's first research on the application of lithium batteries in the automotive sector** as part of a national scientific research initiative.



2013

Established the **Dalian facility**

So far, it has been operational for a decade with high client demand, becoming the Company's main source of profit.



2016

Strategic partnerships with **Dongfeng Motor, China FAW Group, Chery and Brilliance Auto**, developing new energy vehicles



2023

Roofed the first factory of the Nanjing facility phase II, with expected **6GWh** capacity.

Became the **first** company in the world to commence **mass production of large cylindrical sodium-ion batteries** with **0.5GWh** capacity

Received an investment of **RMB25 million** from **Hello Tech, the parent company of Jackery**, to customize a high-energy sodium-ion battery; This battery is in the prototype **B-sample** stage, aiming to secure orders worth millions of RMB from Hello Tech upon mass production.

2022

Commenced construction of the **Nanjing Phase II project**, with three large factories in the pipeline and groundbreaking begun for the first factory

Partnered with the leading player in the sodium electricity industry, **HiNa Battery**, and started R&D on **sodium-ion battery**.

2021

The Nanjing facility launched the **flagship product, Model 32140 battery**, the best large cylindrical battery product on the market.

The Nanjing Phase I project has two production lines, making up to **2GWh** with both lines for lithium-ion batteries, or up to **1.5GWh** with one line allocated for sodium-ion batteries when the Company commences mass production.

2020

As the Company ventured into the energy storage sector, the order volume started to rise, leading to shortages at the Company's Dalian facility.

Founded **CBAK Nanjing** and initiated a long-term **20GWh** lithium battery project



2018

Entered the **energy storage market**

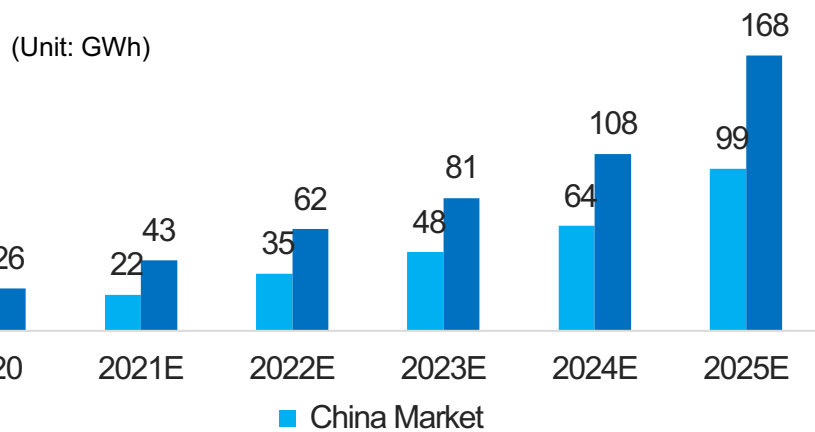
Partnered with **VISSMANN** as its sole supplier of residential energy storage.



Fast-Growing Market for Lithium-ion Batteries Outpace CBAK Energy Growth

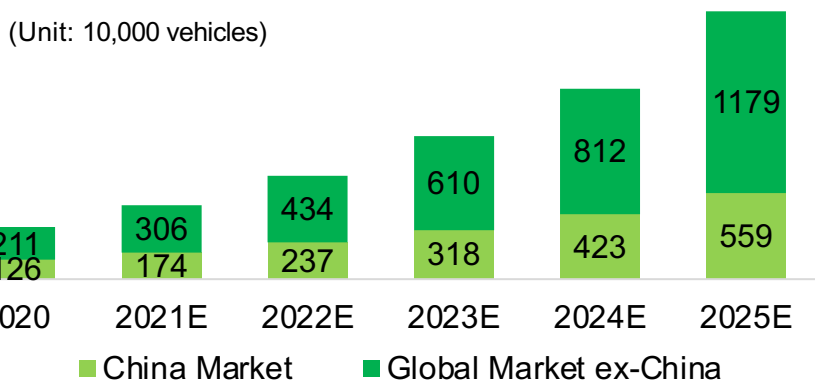
Global and China Market Size for Li-ion Batteries Used in Energy Storage (2020-2025)

Global market: **45%** CAGR; China Market: **53%** CAGR



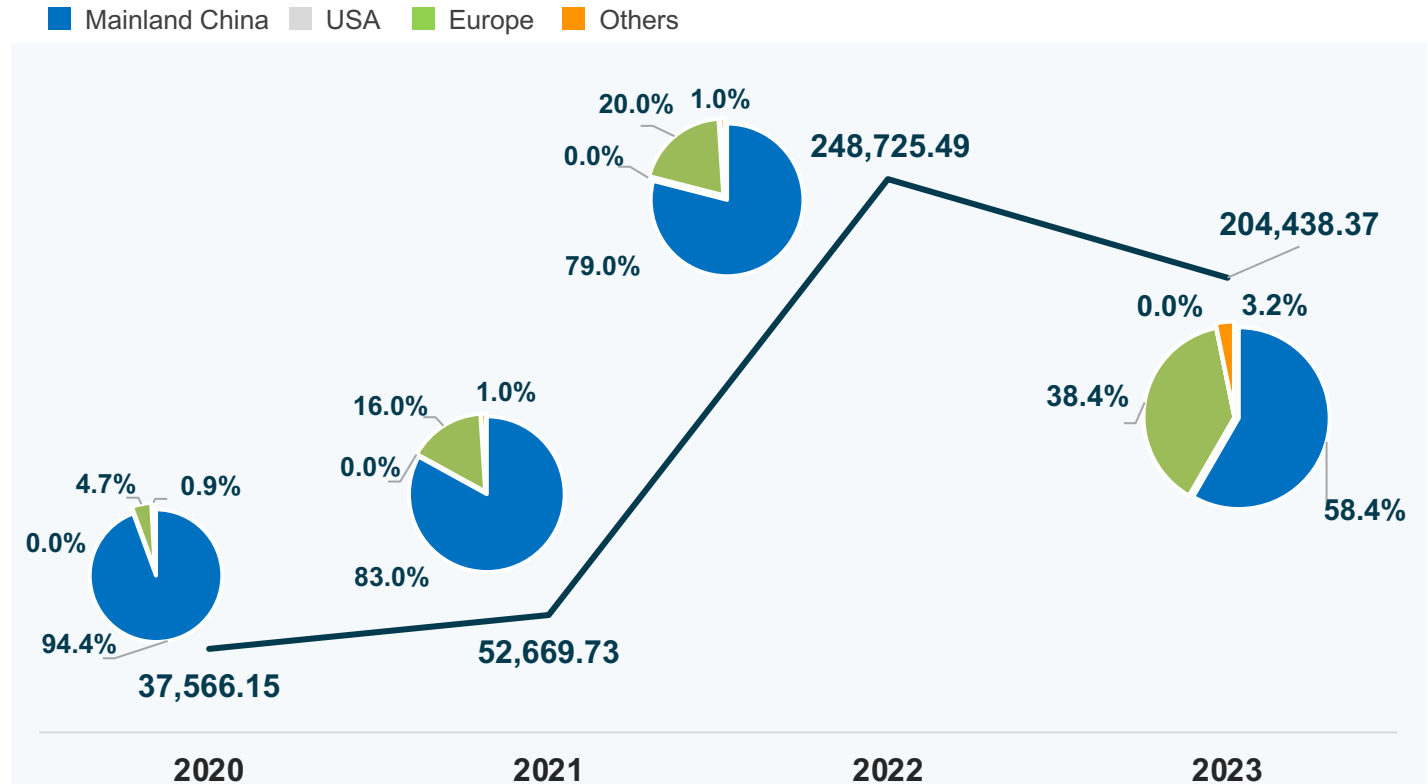
Sales Volume of New Energy Vehicles in China and Outside the China Market (2020-2025)

Outside of China: **41%** CAGR; China Market: **35%** CAGR



Net Revenue by Geographic Area for CBAK Energy (2020-2023)

(In Thousands of U.S. Dollars, except percentages)



Note:

1. This data includes materials used in the manufacturing of lithium batteries. For high power lithium batteries only, overseas markets accounted for a higher proportion of total sales.
2. A proportion of overseas sales were conducted through distributors in China, and these sales were included in the totals for Mainland China, so the share of actual overseas sales was higher.

Best-in-class Lithium-ion Battery Producer

Model 26650 Battery

Perfect Solution for Energy Storage - Reliable performance and continued innovations

- Mature product with a solid client base
- Specially designed 26650 batteries for the ultra-low temperature environment paved the way for our geographical expansion
- Key cash flow generator

Model 32140 Battery

Batteries for Light Electric Vehicles - Higher capacity and lower costs

- 4 times the capacity of regular batteries (Model 26650 batteries)
- 20% lower in cost
- A perfect solution for the LEV market

Model 4XXXX Battery

Size depends on customer demand, including 40140 and 46120

- Model 40140 is in prototype A-sample stage, and Model 46120 is already in prototype B-sample stage.
- About 8 times the capacity of Model 26650
- 15% higher in Energy Density compared to Model 26650
- 12% lower in cost

Solid Client Base

An exceptional degree of consistency in providing high quality products enables us to build a solid global client base



Key Lithium-ion Battery Supplier for Industry Leaders



- CBAK Energy has been supplying lithium-ion batteries to Viessmann since 2020. In 2022, CBAK Energy received two orders for lithium-ion batteries worth **EUR59.6 million** in total.
- As of March 8, 2024, CBAK Energy had received an order worth **EUR213.0 million** of lithium-ion batteries from the Viessmann Group, a leading European provider of heating, cooling, and renewable energy systems.



- In September 2023, CBAK Energy secured battery orders worth approximately **RMB33.58 million** from Anker Innovations, one of the largest third-party suppliers of accessories globally for Apple Inc.'s products.
- As of March 8, 2024, CBAK Energy had received orders totaling up to **RMB73.55 million** from Anker Innovations. It is understood that Anker Innovations will generate significant demand and ongoing monthly orders.

Consistent Growth in Order Volume

Order Demand

- ❑ As of March 8, 2024, the Company recorded **RMB771 million**, or approximately **\$107 million**, in **the combined value of orders received but yet to fulfill** across its two main production facilities based in Dalian and Nanjing, as well as Hitrans, one of its subsidiaries, supplying lithium battery materials.

Client Initiatives

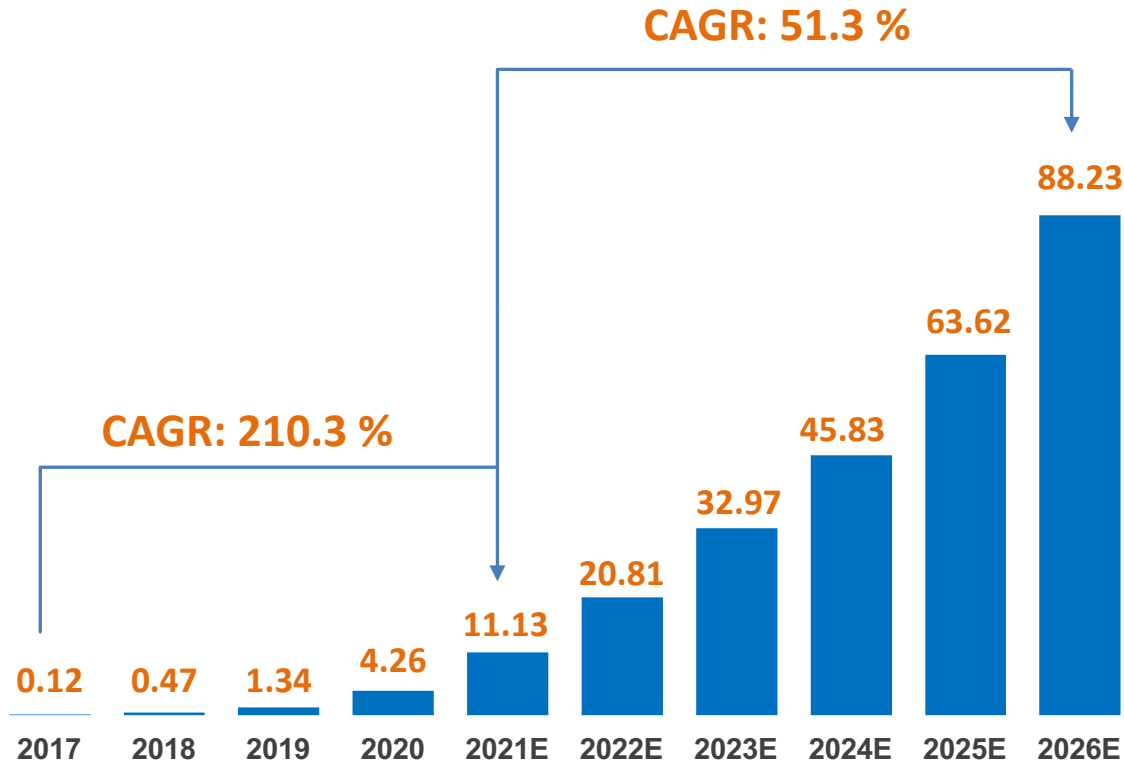
- ❑ Collaboration with **PowerOAK**, the world's leading portable power station manufacturer, and the parent company of top-rated portable power supply brand **BlueTTI**
 - ➔ As of March 8, 2024, PowerOAK has brought CBAK Energy orders amounting to roughly **RMB61.6 million**, or approximately **\$8.57 million**.
- ❑ Collaboration with **Jinpeng Group**, the largest manufacturer of scooters and electric tricycles worldwide
 - ➔ As of March 8, 2024, Jinpeng Group has brought CBAK Energy orders amounting to roughly **RMB60.69 million**, or approximately **\$8.45 million**.

Our Big Technology Breakthrough - Sodium-ion Batteries

– one step closer toward our clean energy goals

Global Market Size of Portable Energy Storage (2017-2026)

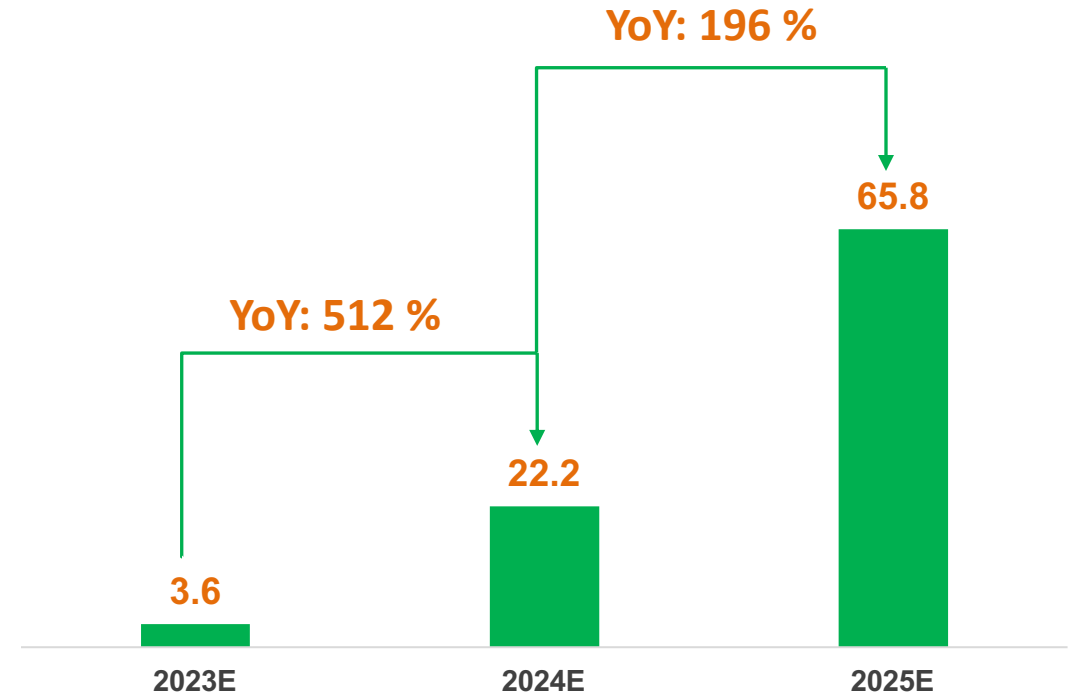
Billion RMB



Source: China Industrial Association of Power Source, LeadLeo

Global Market Size for Na-ion Batteries Used in Energy Storage (2023-2025)

Unit: GWh

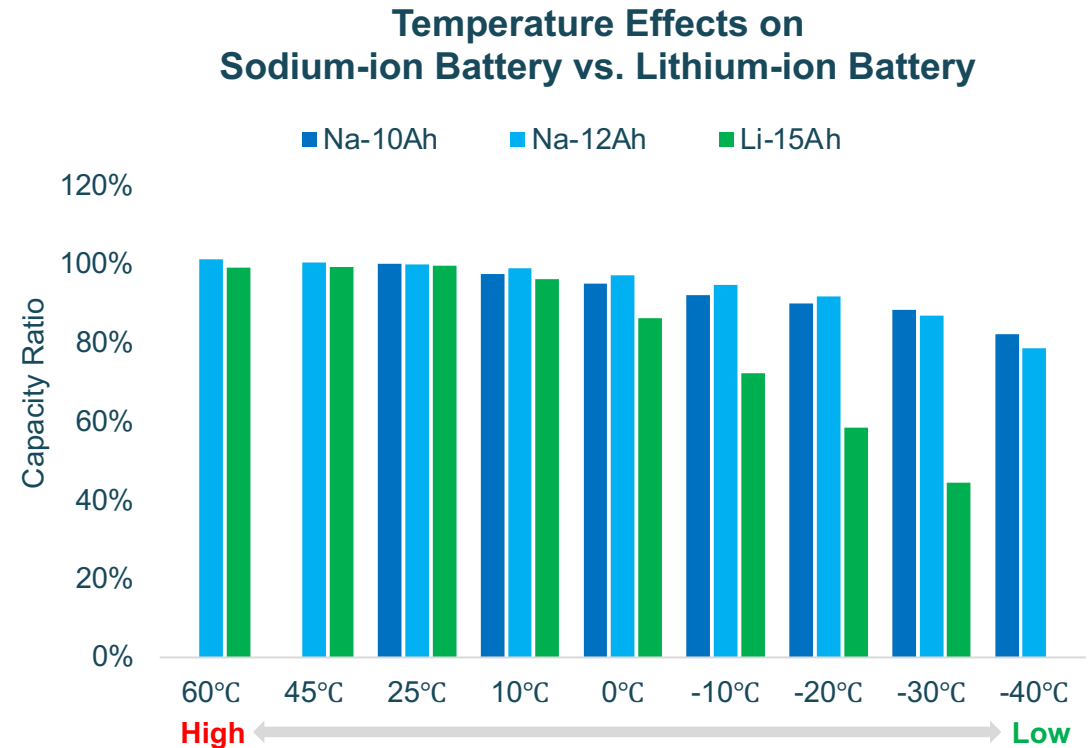


Source: Frost & Sullivan; Shenzhen Zhongshang Industry Research Institute Co., Ltd.; Dongshu Cui; Huajin Securities

Outstanding Performance of Sodium-ion Batteries

□ **Sodium-ion batteries offer superior performance in low temperatures, fast charging, and a delicate balance between energy density and cycle life, making them a valuable complement to the lithium-ion battery market and a promising alternative to lead-acid batteries.**

	Lead-acid Battery	Lithium-ion Battery	Sodium-ion Battery
Energy Density	40-45Wh/kg	160-300Wh/kg	120-160Wh/kg
Operational in Low Temperature	<50% capacity at -20°C	<50% capacity at -20°C	Support >85% capacity at -40°C
Fast Charging	<1C	>2C	>4C
C-rates	1C	<3C	Support 5C
Cycle Life	300-500	3000-6000	1000-4000
Cost	Low (Including replacement)	High	Medium
Technology Maturity	High	Fast Developing	Pre-industrial Developing



Best-in-class Sodium-ion Battery Producer

CBAK Energy's Advantage of Large Cylindrical Batteries

Procedure	Manufacturing Yield	
Winding	99.00%	✓ CBAK Energy specializes in manufacturing large cylindrical batteries . The Company established China's first automated cylindrical battery production line, producing Model 18650 battery.
Laser welding	99.70%	
Back welding	99.70%	
Slot rolling	99.70%	✓ CBAK Energy's large cylindrical batteries have a higher product qualification rate than the industry average.
Electrolyte filling	99.80%	
Formation	98.30%	✓ CBAK Energy's large cylindrical batteries demonstrate good consistency . Its exclusive highly automated production line is tailored to the process characteristics of these batteries with laser welding and cutting modes enabling automated operations, addressing issues like burrs, whitening, and powder loss, thus ensuring battery performance consistency.
Assembly FPY	96.25%	

The 1st Large Cylindrical Sodium-ion Batteries Producer

- ✓ CBAK Energy secured **RMB25 million** in funding from **Hello Tech, the parent company of Jackery**, a premier global portable power supplier, to advance its sodium-ion battery R&D program. The Company has already received 30% of the funding.
- ✓ Hello Tech will become CBAK Energy's first client for its sodium-ion batteries, with orders potentially worth several hundred million RMB once CBAK Energy's sodium-ion battery is ready for mass production, which is expected to fortify the Company's position as a pioneer in the commercialization of sodium-ion batteries.



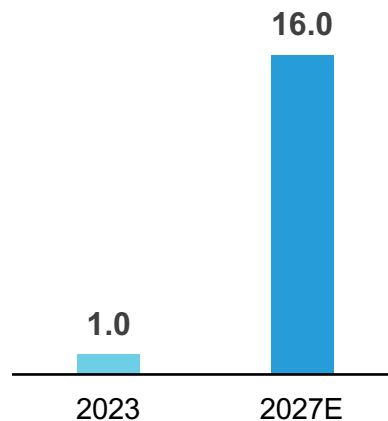
A Strategic Capacity Expansion in the Growing Addressable Market

Dalian Facility – focused on energy storage solutions

- Built in 2013 and covers an area of 154,000m²
- Primary focus is on manufacturing Model 26650 batteries
- Plan to manufacture Model 4XXXX
- Expanding to a capacity of 1GWh in 2023 and ultimately 16GWh by 2027



CBAK Dalian Capacity Expansion
(Unit: GWh)



Nanjing Facility – focused on batteries for EV/LEV

Phase 1:

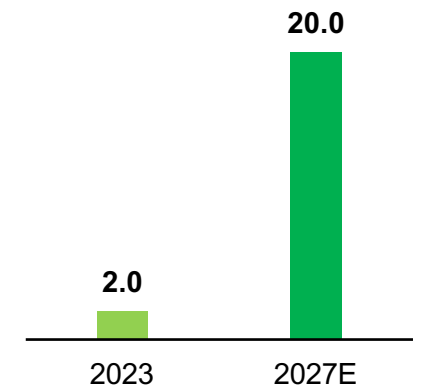
- 10,000 M²;
- Two production lines, making up to 2GWh with both lines for lithium-ion batteries or up to 1.5GWh with one line for sodium-ion batteries

Phase 2:

- Currently under design; it will cover an area of 73,000m²
- To be expanded to 18GWh

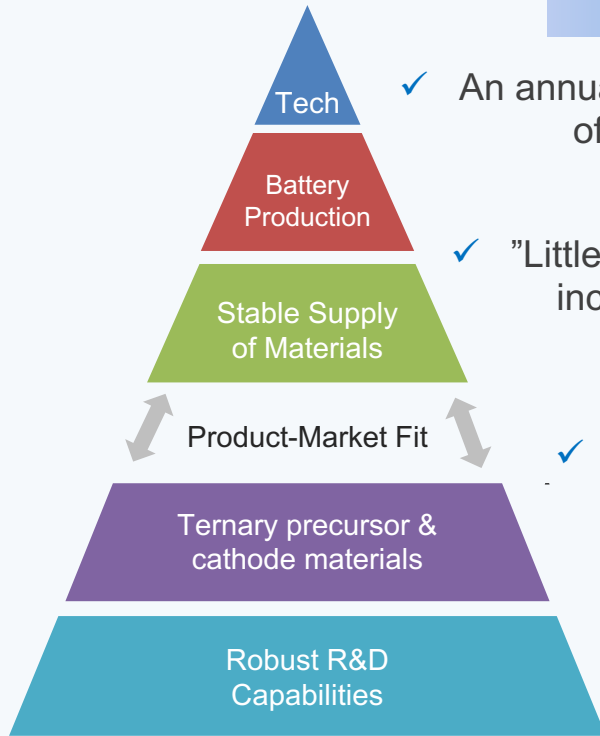


CBAK Nanjing Capacity Expansion
(Unit: GWh)



Solid Strengths of Hitrans

Hitrans' Achievement



- ✓ An annual production capacity of 13,000 tons of NCM precursors and 13,000 tons of cathode materials
- ✓ "Little Giant" that dominates its sector with increased financial and tax support and enhanced credit policies from the government
- ✓ Won multiple times China's Top Ten Brands of Cathode Materials for Power Lithium Batteries accolade and won the "2020 Technology Innovation Award" from the China Industrial Association of Power Sources

Main Customers



Hitrans' Independence

- ✓ Hitrans is *a leading developer and manufacturer of ternary precursor and cathode materials in China*, whose products have a wide range of applications on batteries that would be applied to electric vehicles, electric tools, high-end digital products, and storage, among others.
- ✓ As of November 2021, CBAK Energy strategically acquired Hitrans and entered the business of developing and manufacturing NCM precursor and cathode materials.
- ✓ Following the acquisition, CBAK Energy *maintained Hitrans' core management team* and refrained from interfering in its day-to-day operations.
- ✓ CBAK Energy has **no additional financial obligations** to Hitrans, and its financial health will not materially affect the financial standing of the battery business as *it is only reflected in the consolidated financial statements*.

POWERS THE WORLD WITH ELECTRIC ENERGY

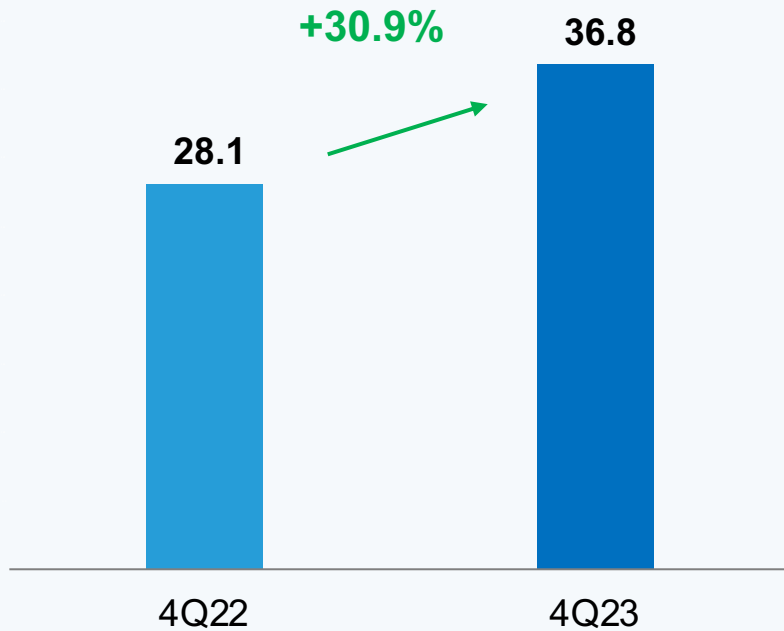
 中比新能源

Financial Highlights

Explosive Growth in Net Revenues

Net Revenues From Battery Business on Applications (4Q22 vs 4Q23)

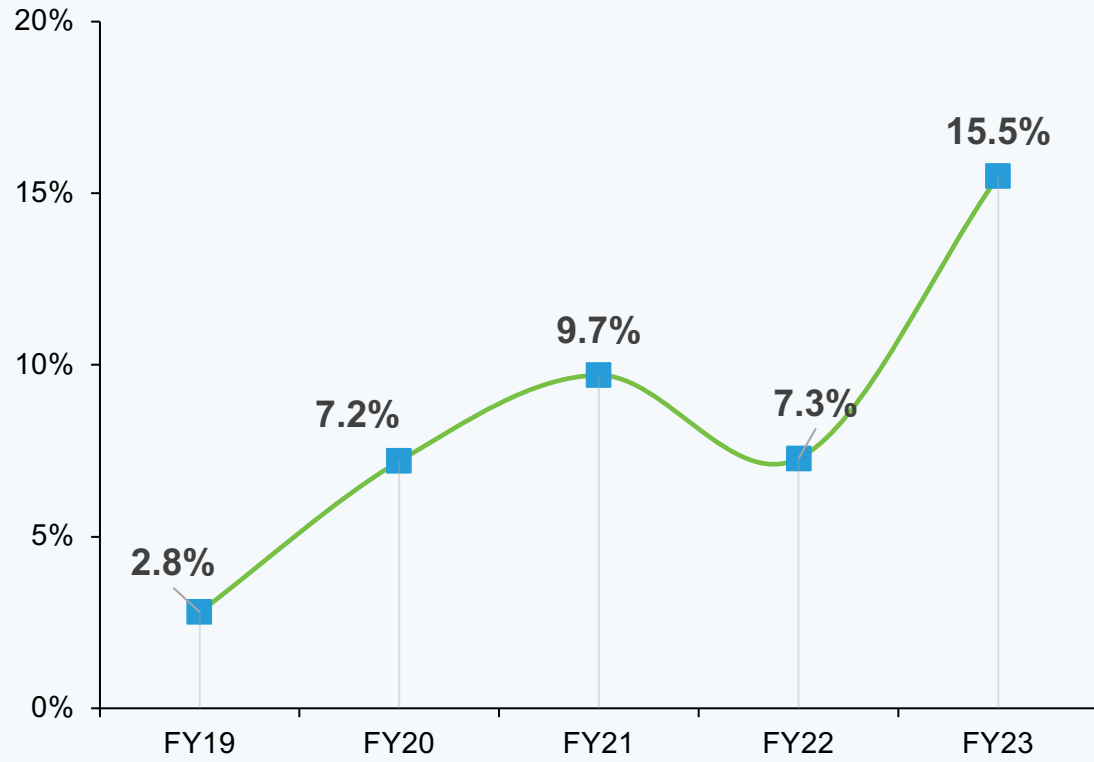
Million USD



<i>Net Revenues From Battery Business on Applications</i>	<i>4Q 2022 (USD)</i>	<i>4Q 2023 (USD)</i>	<i>% YOY</i>
Electric Vehicles	4,674,703	524,543	-88.8
Light Electric Vehicles	4,508,699	1,377,369	-69.5
Residential Energy Supply & Uninterruptable Supplies	18,947,555	34,928,566	84.3
Total	28,130,957	36,830,478	30.9

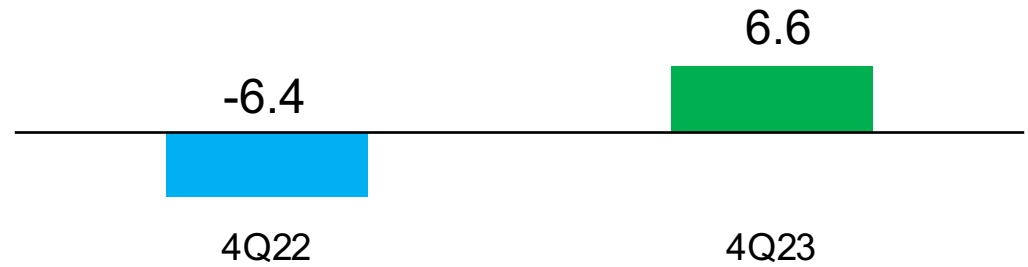
Improving Profitability

Gross Margin (%)



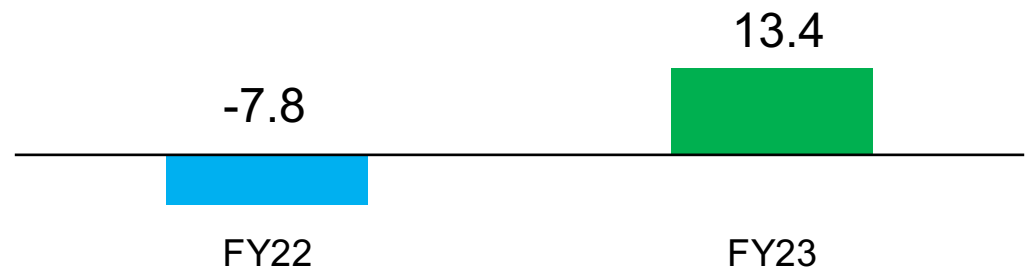
Net Income (Loss) From Battery Business (4Q22 vs 4Q23)

Million USD



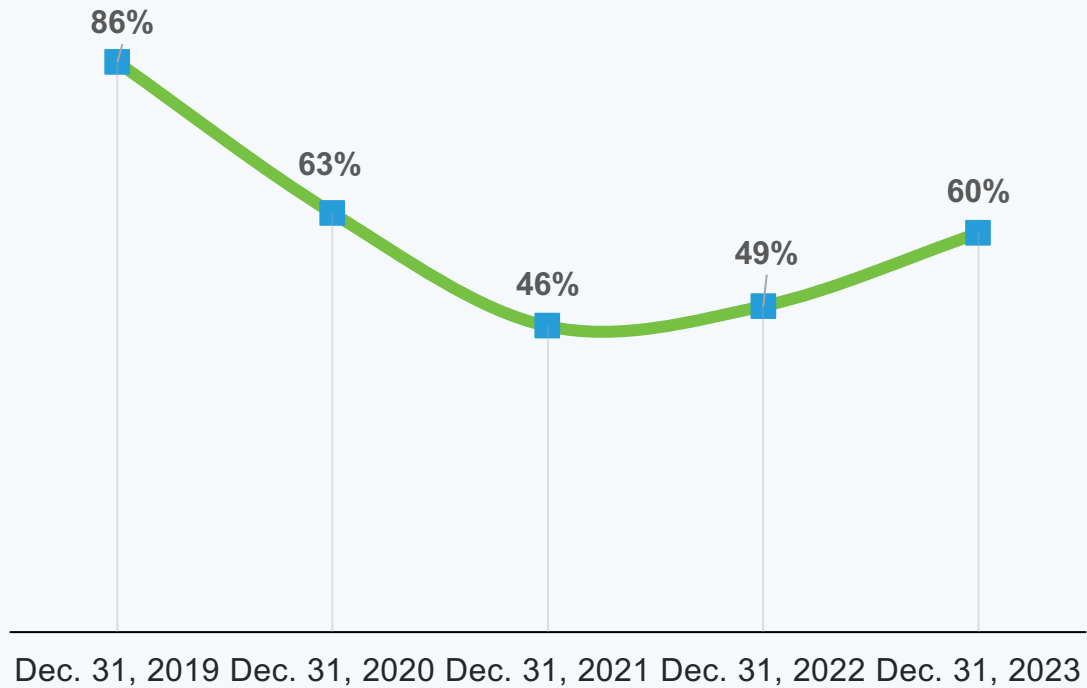
Net Income (Loss) From Battery Business (FY22 vs FY23)

Million USD



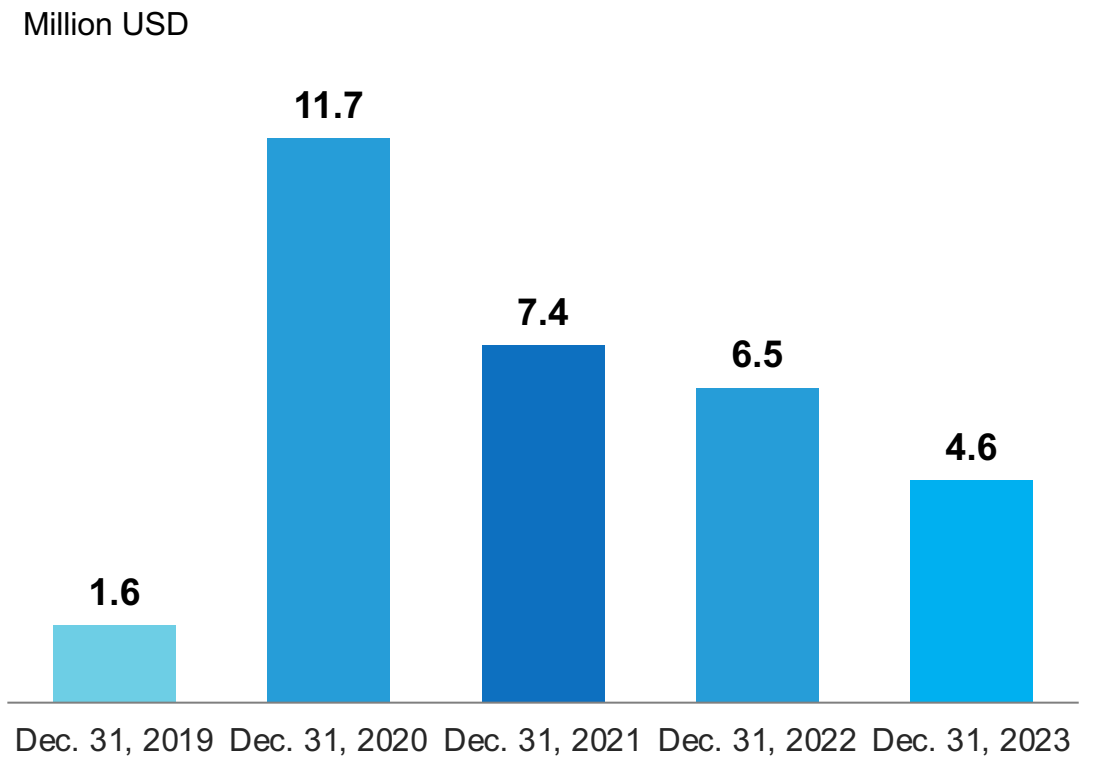
Solid Financial Position

Liabilities to Asset Ratio



Note: liabilities to assets ratio = total liabilities / total assets

Cash and Cash Equivalents



Financial Information by Operating Segments

<i>For the year ended December 31, 2022 (in US dollar)</i>	<i>CBAT</i>	<i>Hitrans</i>	<i>Corporate unallocated (note)</i>	<i>Consolidated</i>
Net revenues	94,715,189	154,010,296	-	248,725,485
Cost of revenues	(86,333,047)	(144,297,114)	-	(230,630,161)
Gross profit	8,382,142	9,713,182		18,095,324
Total operating expenses	(13,489,453)	(14,993,719)	(1,116,755)	(29,599,927)
Operating loss	(5,107,311)	(5,280,537)	(1,116,755)	(11,504,603)
Finance income (expenses), net	929,756	(438,387)	(309)	491,060
Other income (expenses), net	(3,590,693)	(3,661,782)	5,710,000	(1,542,475)
Income tax credit	-	1,228,207	-	1,228,207
Net income (loss)	(7,768,248)	(8,152,499)	4,592,936	(11,327,811)

<i>For the year ended December 31, 2023 (in US dollar)</i>	<i>CBAT</i>	<i>Hitrans</i>	<i>Corporate unallocated (note)</i>	<i>Consolidated</i>
Net revenues	132,993,518	71,444,847	-	204,438,365
Cost of revenues	(101,413,350)	(71,300,692)	-	(172,714,042)
Gross profit	31,580,168	144,155	-	31,724,323
Total operating expenses	(20,861,844)	(17,159,677)	(954,614)	(38,976,135)
Operating income (loss)	10,718,324	(17,015,522)	(954,614)	(7,251,812)
Finance income (expenses), net	337,243	95,816	(159)	432,900
Other income (expenses), net	2,906,648	(2,276,918)	136,000	765,730
Income tax expenses	-	(2,486,145)	-	(2,486,145)
Net income (loss)	13,962,215	(21,682,769)	(818,773)	(8,539,327)

Note:

The Company does not allocate its assets located and expenses incurred outside China to its reportable segments because these assets and activities are managed at a corporate level.

Condensed Consolidated Balance Sheets

	As of Dec 31, 2022	As of Dec 31, 2023
	US\$	US\$
Current Assets:		
Cash and cash equivalents	6,519,212	4,643,267
Pledged deposits	30,836,864	54,179,549
Trade and bills receivable, net	27,413,575	28,653,047
Inventories	49,446,291	33,413,422
Prepayments and other receivables	5,915,080	7,459,254
Receivables from former subsidiary	5,518,052	74,946
Income tax recoverable	57,934	-
Total Current Assets	125,707,008	128,423,485
Total Non-Current Assets	118,325,726	152,731,775
Total Assets	244,032,734	281,155,260
Total Current Liabilities	111,933,857	160,495,555
Total Non-Current Liabilities⁽¹⁾	7,720,380	7,201,364
Total Liabilities	119,654,237	167,696,919
Total Equity	124,378,497	113,458,341
Total Liabilities and Shareholder's Equity	244,032,734	281,155,260

Note:

(1) As of December 31, 2023, the Company's Dalian and Nanjing lithium production facilities had no outstanding secured bank loans.