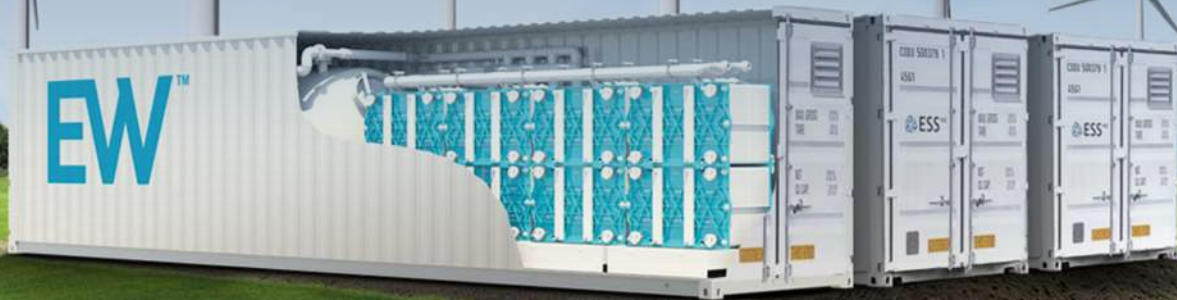




Long Duration Energy Storage Systems for a Cleaner Future



AUGUST 2021

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Non-GAAP Financial Measures. The financial information and data contained in this Presentation is unaudited and does not conform to Regulation S-X promulgated under the Securities Act of 1933, as amended. This Presentation also includes non-GAAP financial measures, including gross margin and Adjusted EBITDA. ACON and ESS believe that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to ESS's financial condition and results of operations. ESS's management uses certain of these non-GAAP measures to compare ESS's performance to that of prior periods for trend analyses and for budgeting and planning purposes. Not all of the information necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures is available without unreasonable efforts at this time. Specifically, ESS does not provide such quantitative reconciliation due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

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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.

The background of the slide is a high-angle, night-time photograph of a city, likely Tokyo, with the Tokyo Tower visible on the left. Overlaid on the city is a complex network of white lines connecting various points, resembling a power grid or a data network. The text "Game Changing Technology" is centered in the upper half, with "Game Changing" in green and "Technology" in white. Below it, "The Power Grid of the Future – Feasible Today" is in white. At the bottom, the words "STABLE. SECURE. CLEAN." are written in large, bold, white capital letters.

Game Changing Technology

The Power Grid of the Future – Feasible Today

STABLE. SECURE. CLEAN.

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



Leadership



Craig Evans
President & Founder



Eric Dresselhuys
CEO
(March 2021)



Julia Song
CTO & Founder



Amir Moftakhar
CFO



Adam Kriger
CEO & Director




John Roush
CFO & Chairman



Alan Greenshields
ACON Advisor

Welcome





**Our Goal: To be the leading provider
of long-duration energy storage technology**

**U.S. Renewables
now more than 25%
of all U.S. generation
(EIA, June 2021)**



**California
targeting 1 GW
of long-duration
storage by 2025**



**Federal policy
adds potential
for investment,
tax credits**



**EU RPS
increased to 40%
by 2030, up from 32%**




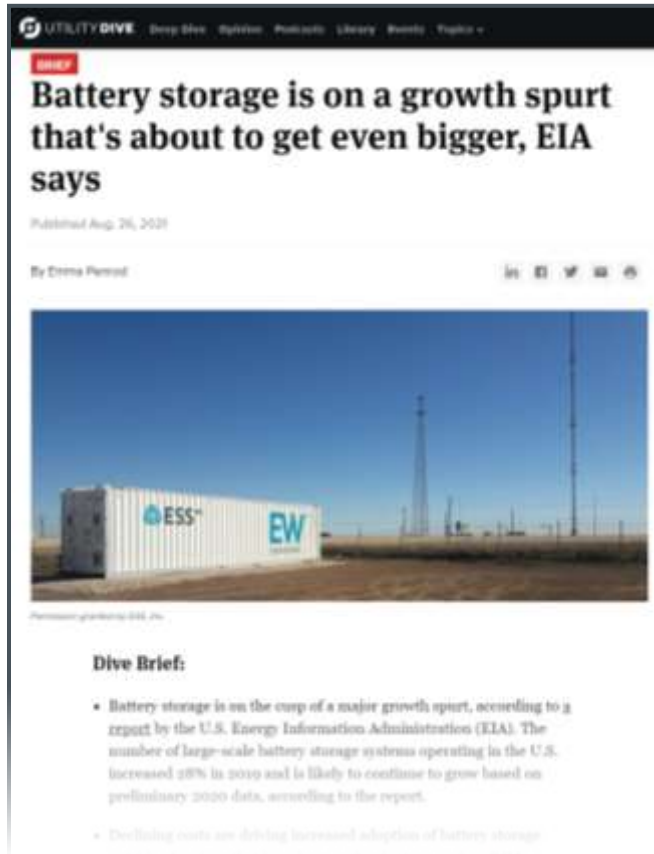
**ESS believes the potential
for long-duration storage is stronger than ever**

1. Energy Information Administration, June 2021 (https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=table_es1a)

2. California PUC, June 20, 2021 (<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>)

3. US Senate draft Infrastructure Bill (https://www.epw.senate.gov/public/_cache/files/e/a/ea1eb2e4-56bd-45f1-a260-9d6ee951bc96/F8A7C77D69BE09151F210EB4DFE872CD.edw21a09.pdf)

4. European Union 2030 Climate Directive (https://ec.europa.eu/info/sites/default/files/amendment-renewable-energy-directive-2030-climate-target-with-annexes_en.pdf)



“U.S. battery storage projects grow by 10 times beyond the 2019 figure between 2021 and 2023 to contribute 10,000 MW to the grid”

**First
Long-duration
Storage
Company
To Go Public**

**Large
Addressable
Market
+
Macro Tailwinds**

**Differentiated
Technology
With First Mover
Advantage**

**Strong Balance
Sheet Positions
Us For Growth**

ESS: A Category Defining Investment Opportunity



- 
- 1 Large and Fast-Growing TAM:** ~\$56bn by 2027 growing at a 33% CAGR¹
 - 2 Simple Yet Revolutionary Technology:** Iron, salt and water; strong patent portfolio
 - 3 Compelling Value Proposition:** Highest performance, lowest cost² and most sustainable
 - 4 Low Risk Expansion Plan:** Field proven³ technology with low-cost manufacturing build out
 - 5 \$7bn of Identified Opportunities⁴:** \$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 1 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?

The background of the slide is a black and white photograph of several high-voltage electrical transmission towers (pylons) and power lines stretching across a cloudy sky. The lines create a sense of depth and perspective.

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

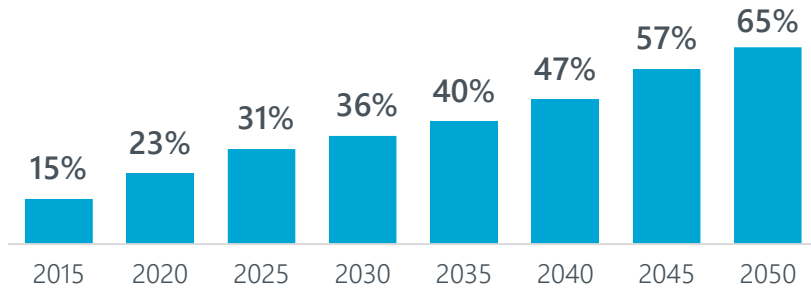


What Customers Demand

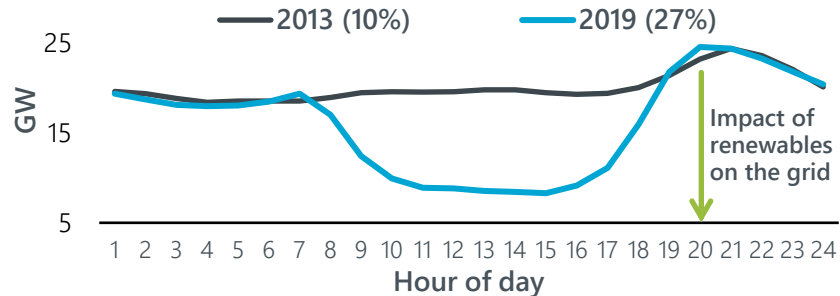
How ESS Transforms the Grid

	Longer Duration	<ul style="list-style-type: none">▪ Up to 12 hours▪ Flexibility allows multiple revenue streams		<ul style="list-style-type: none">▪ Can replace coal and natural gas with solar and wind power▪ Greater resiliency to unexpected events
	Low Cost	<ul style="list-style-type: none">▪ Lower LCOS than other technologies in the market▪ Incremental cost of storage <\$20/kWh		<ul style="list-style-type: none">▪ Step function improvement in economics of storage▪ Enables multiple use cases
	Power On Demand	<ul style="list-style-type: none">▪ <1 second response time▪ >20,000 cycle life – \$0 marginal cost per cycle		<ul style="list-style-type: none">▪ Improved grid resiliency and flexibility
	Safety and Reliability	<ul style="list-style-type: none">▪ Non-flammable, non-toxic, no explosion risk▪ Munich RE insures technology risk		<ul style="list-style-type: none">▪ Can deploy in a wide range of geographies and climates▪ Customers can be confident in a long-term solution
	Sustainability	<ul style="list-style-type: none">▪ Easily sourced materials; recyclable components▪ “Plug and play” with 25-year operating life		<ul style="list-style-type: none">▪ Environmentally sustainable▪ Accelerates clean energy transition

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

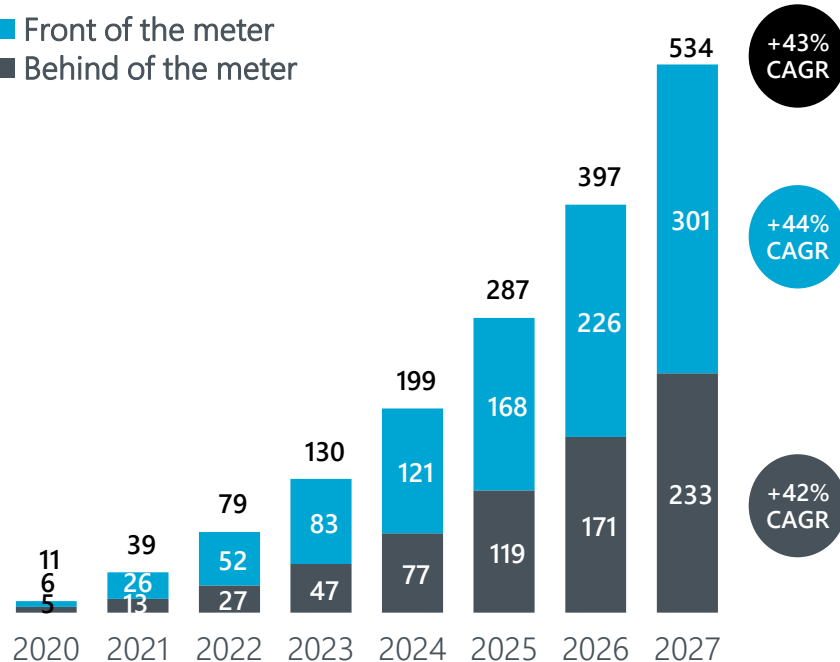
- Carbon-free is the goal
- Intermittency and curtailment are barriers
- 4-hour storage does not efficiently bridge the duck curve
- Longer duration solutions enable peaker plant replacements

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

Strong and Growing Demand for Energy Storage

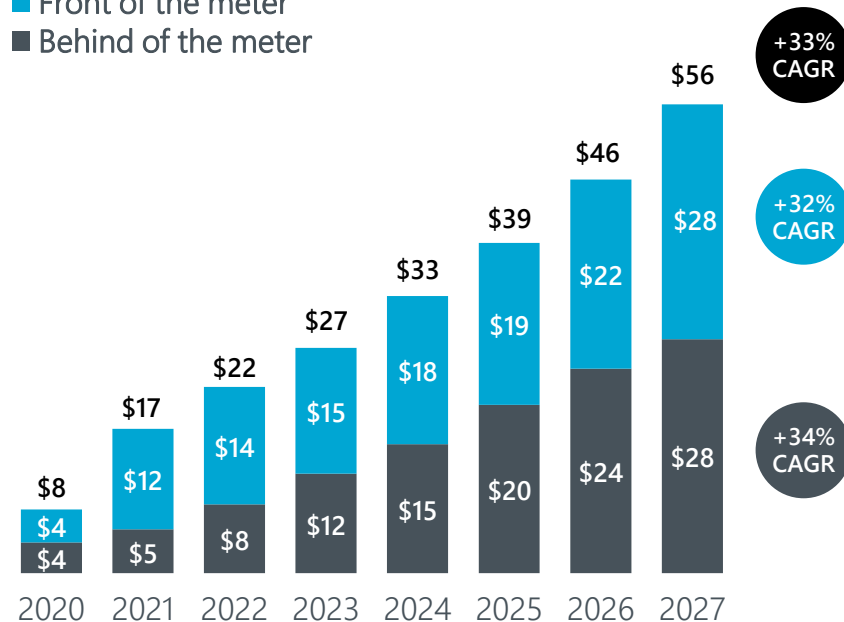
Cumulative Additions to Global Storage Capacity (GWh)

- Front of the meter
- Behind of the meter



Global Total Addressable Market (\$bn)

- Front of the meter
- Behind of the meter



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

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 2022
- “Battery in a Building” platform
- Modular design for utility-class

Validated by a Blue-Chip Customer Base

Utilities

EW   EC

Demand Drivers

- Peaker replacements
- T&D upgrade deferrals
- Wildfire resiliency
- Distributed energy services products

Select Customers/Use Cases

Engie

San Diego Gas & Electric

ČEZ Group

Duke Energy

Naturgy

Grupo SAESA

PacifiCorp

Select Pipeline

IPPs/Developers

EW   EC

- Peaker replacements
- Resource adequacy & grid reliability
- 24/7 power supply
- Microgrids

 **SB Energy**
SoftBank Group

 **SWORDSTONE**

ConEdison Energy

Enel

Starwood Energy



Commercial & Industrial

EW   EC

- Energy cost savings
- Operational resiliency
- RE integration
- Carbon footprint reduction/ESG goals

Applied Medical

Pacto Energia

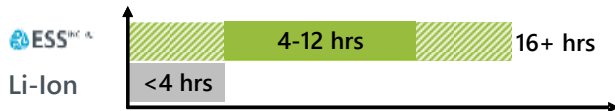
Honeywell

Idimax

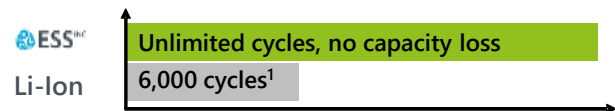
Marathon



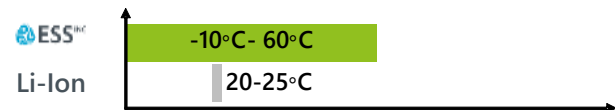
Operational Flexibility



Longer Asset Life



Superior Ambient Operating Temperature



Safety



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

Flow Batteries are Scalable, Low Cost, Long Duration Storage

Iron Flow Battery Scaling

A theoretical 100KW/400KWh ESS battery contains:

Component	Number	Cost
Fixed Equipment: i.e., power electronics, tank, structure/supports	1x	▲
Power Module	1x	■
Electrolyte	4x	●●●●

Increasing Storage Duration = Same System, More Electrolyte

400KWh configuration



400KWh cost



1,000KWh configuration



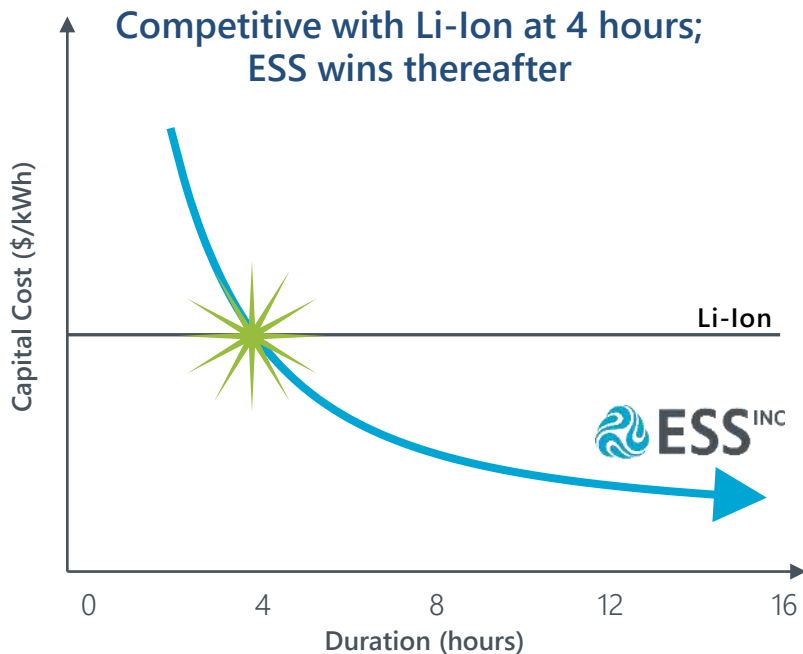
1,000KWh cost



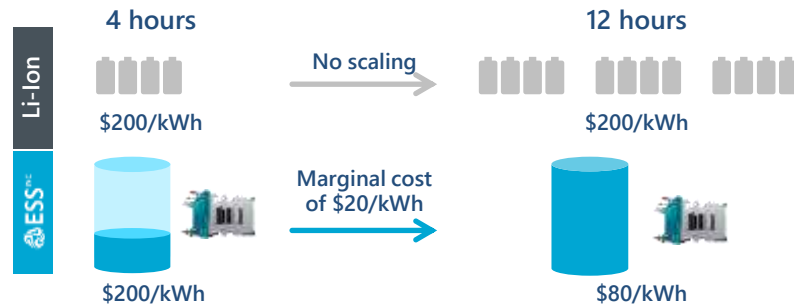
- More electrolyte -> Longer duration
- ESS electrolyte is low cost – made from iron, salt and water
- Incremental cost of increasing storage duration is low

ESS Decouples Energy from Power

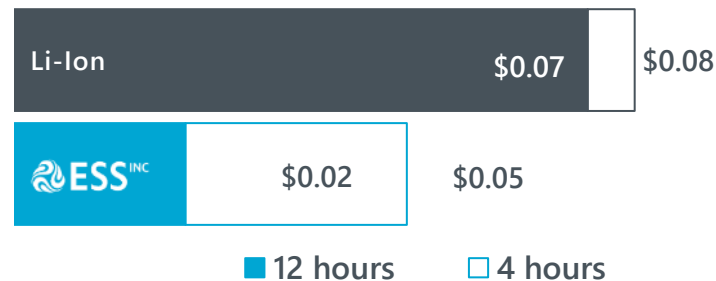
Illustrative Cost Comparison Versus Li-Ion



How ESS' Technology Delivers Superior Economics¹



LCOS at 4 hours vs. 12 hours²



¹ Figures shown are illustrative.

² Superior economics based on Levelized Cost of Storage (LCOS).

$$LCOS = \frac{\sum \text{CapEx} + \sum \text{Installation} + \sum \text{Disposal} + \sum \text{O\&M}}{\sum \text{Annual Usable KWh}}$$

Sustainability Focus Areas



Responsibly Sourced Materials

Raw ingredients of iron, salt and water are earth-abundant

Global Warming Potential (GWP)

67% lower CO₂ emissions than Li-Ion¹

Recyclability

Contains no toxic materials and requires no special permits for disposal²

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

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

Surety and Corporate Bonding

Growing project surety capacity

One Beacon

EXIM

US Export-Import Bank Qualified

Pre-qualified financing available for overseas buyers

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 proven¹; 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



2014

Demonstrated 10,000+
operating cycles in the lab

2017

Gen I EW product line
launched



2020

Installed S200 automated
assembly line
Energy Center™ product line
launched



2012

Awarded ARPA-e grant for
development of Iron based
battery

2015

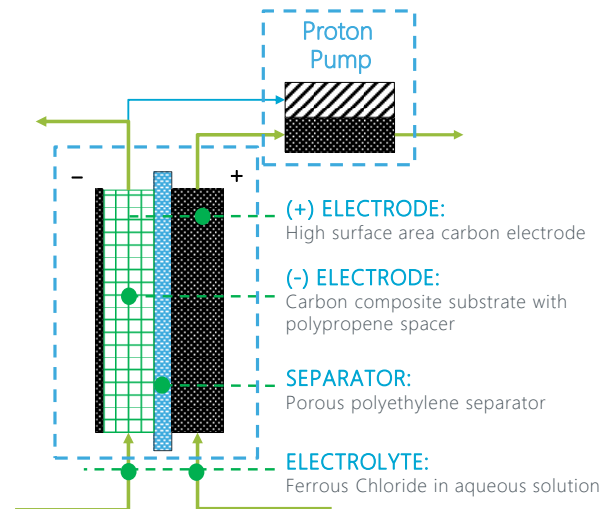
First commercial
deployment

2019

S200 commercial battery
module launched

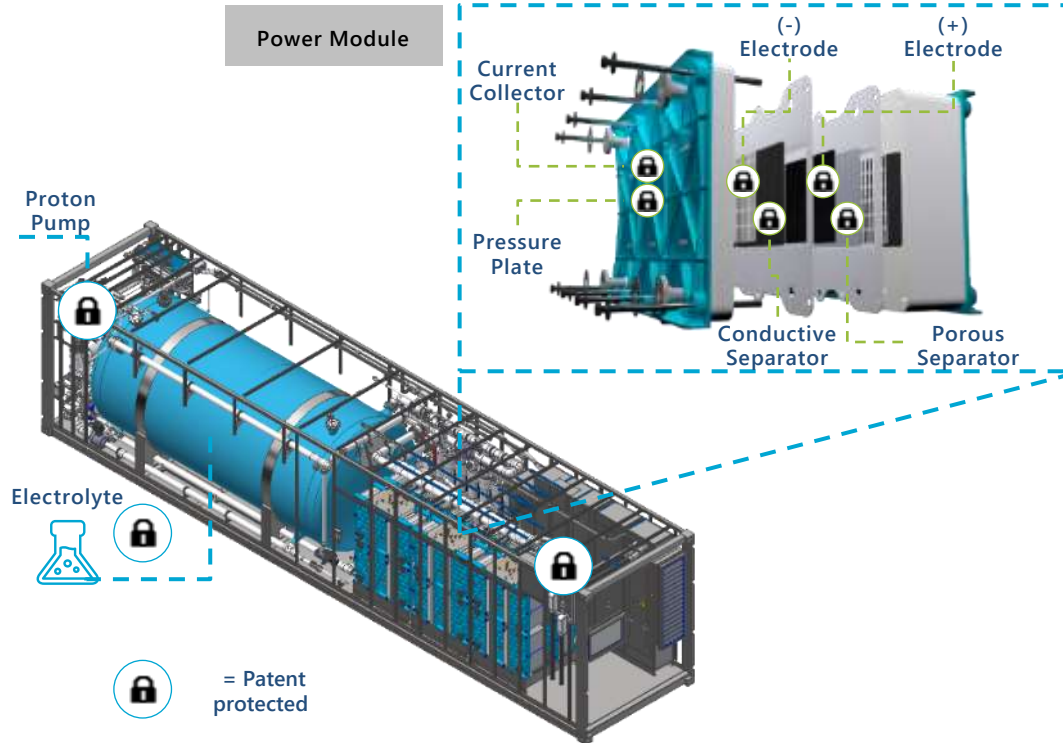


Innovative Technology



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

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 Background¹



Case Studies



Customer	TerraSol Energies, Inc.
Project Location	Sycamore, Pennsylvania
Use Case	<ul style="list-style-type: none">▪ Behind the meter microgrid owned by customer▪ Customer is an electronics recycling facility▪ Energy shifting, load management▪ Energy Warehouse™ product (75kW/400kWh)
Project Benefits	<ul style="list-style-type: none">▪ <5 yr. payback on energy cost savings▪ >\$800K in resiliency benefits (over 10 yr.)
Why ESS Won	<ul style="list-style-type: none">▪ Resiliency benefits of long duration storage▪ Battery safety. Customer ruled out LIB due to safety and compliance concerns



Customer	Medical Device Manufacturer
Project Location	Southern California (multiple sites)
Use Case	<ul style="list-style-type: none">▪ Behind the meter microgrid owned by customer▪ Customer is a vertically integrated medical device manufacturer▪ Multiple project sites and generation sources (microturbines, solar)▪ Energy Warehouse™ product
Project Benefits	<ul style="list-style-type: none">▪ Reduced energy costs▪ Operational resiliency (PSPS events)

Why ESS Won

- Lowest total cost of ownership
- Battery safety characteristics
- Ease in permitting

Medical Device
Manufacturing Company



BTM Microgrid (Utility-Owned)

Use Case

Customer	US Utility
Project Location	Western US
Use Case	<ul style="list-style-type: none">▪ Standalone storage owned by utility in behind the meter application (DER)▪ Customer energy shifting, load management, resiliency for critical loads▪ Energy Warehouse™ product
Project Benefits	<ul style="list-style-type: none">▪ Customer energy cost savings (during peak demand)▪ Customer resiliency (year-round)▪ Utility grid support services (year-round)
Why ESS Won	<ul style="list-style-type: none">▪ Multi-use case versatility without compromising or degrading the battery



Customer	Domestic Utility
Project Location	California
Use Case	<ul style="list-style-type: none">▪ Microgrid solutions required to mitigate Public Safety Power Shutdown impacts▪ Solar + storage microgrid▪ Energy Warehouse™ product (540kW/3MWh storage)
Project Benefits	<ul style="list-style-type: none">▪ Multi-day resiliency for critical needs customers during PSPS events
Why ESS Won	<ul style="list-style-type: none">▪ Safety (non-flammability, non-explosive)▪ Ability to participate in CAISO market▪ Ability to provide distribution grid ancillary services during non-PSPS events

Site construction (June 2021)



Customer	Siemens-Gamesa
Project Location	Denmark
Use Case	<ul style="list-style-type: none">▪ Wind + Solar + Storage + H2▪ Energy Warehouse™ product
Project Benefits	<ul style="list-style-type: none">▪ Flexible project package that can be optimized for sustainable resource availability and market conditions (for H2)
Why ESS Won	<ul style="list-style-type: none">▪ No battery degradation due to cycling▪ Operational flexibility enables any duty cycle (starts, stops, duration, etc.)▪ Lowest total cost of ownership

SIEMENS Gamesa



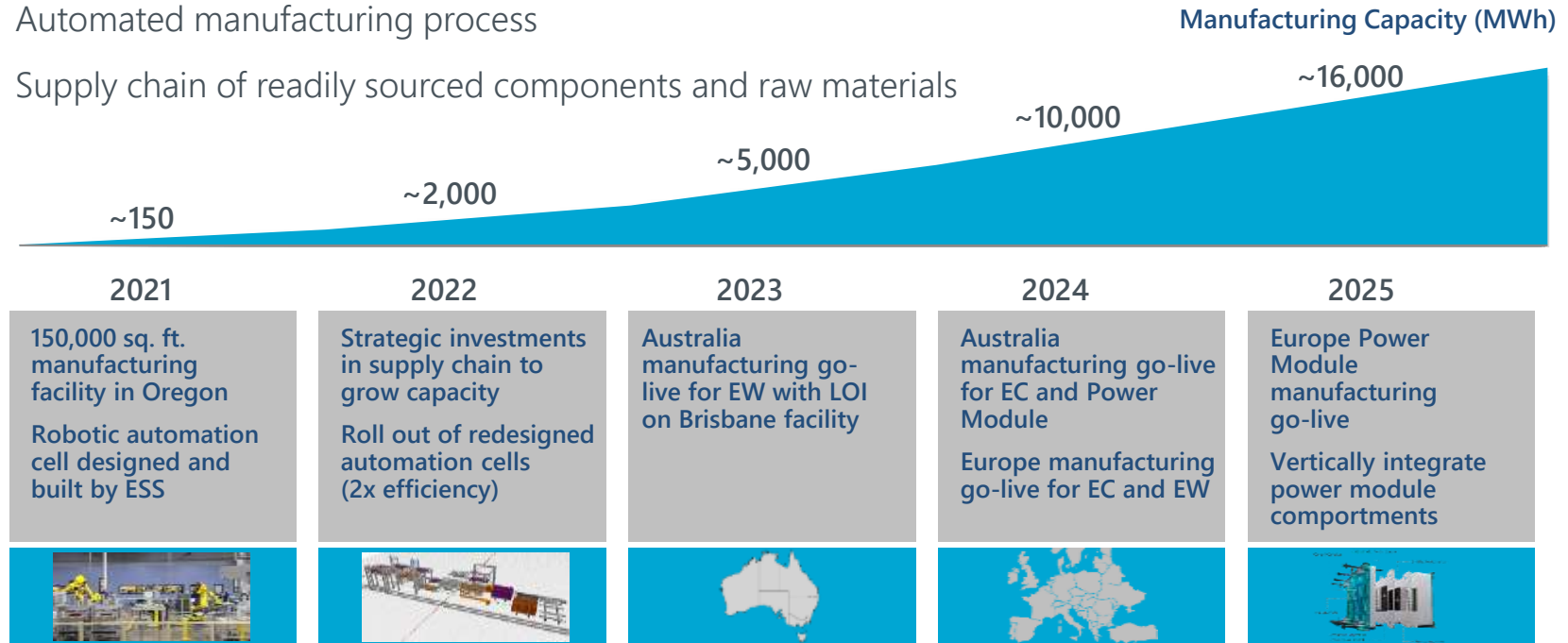
Customer	Utility
Project Location	Chile
Use Case	<ul style="list-style-type: none">▪ Remote grid served by RoR hydro and diesel gensets▪ Storage systems will minimize genset usage▪ Energy Warehouse™ product (300kW/2MWh)
Project Benefits	<ul style="list-style-type: none">▪ \$3.1M incremental savings over LIB▪ Avoids 12 years of diesel genset emissions
Why ESS Won	<ul style="list-style-type: none">▪ 3x greater savings over LIB▪ Sustainability and environmental friendliness of IFB



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



97% Less Capital Required – Ready to Scale Globally

Simple, Low-cost Production in the USA

\$in millions/GWh of Battery Module Production Capacity

~\$140

~\$4

Li-Ion competitor



Simple, automated
ESS manufacturing line



Expensive, complex
Li-Ion battery manufacturing line



Capital Investment Will Enable Rapid Expansion



Net Cash for Growth
~\$493M¹

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

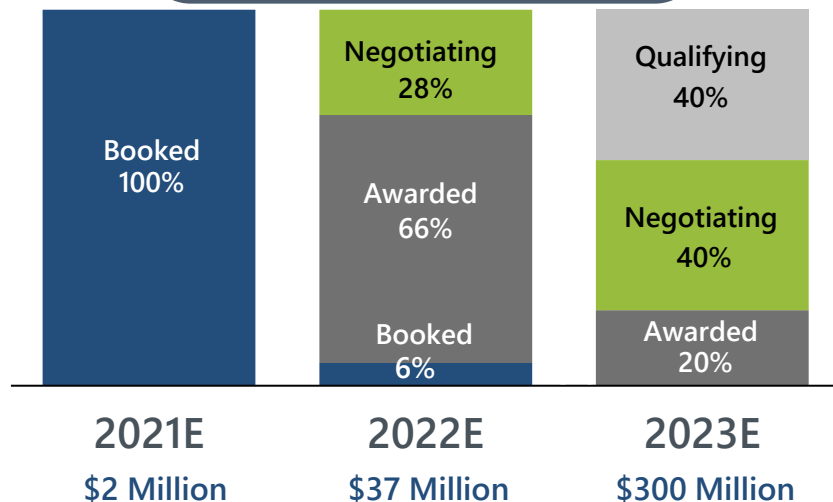
Financial Forecast



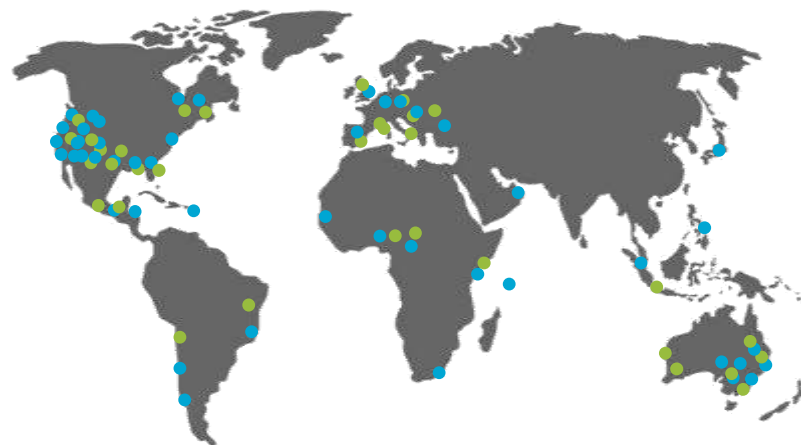
Projected Pipeline for Energy Center™ and Energy Warehouse™



Deals continue to convert 2022E
Update: Booked 20%, Awarded 52%,
Negotiating 28%



Global Identified Opportunities

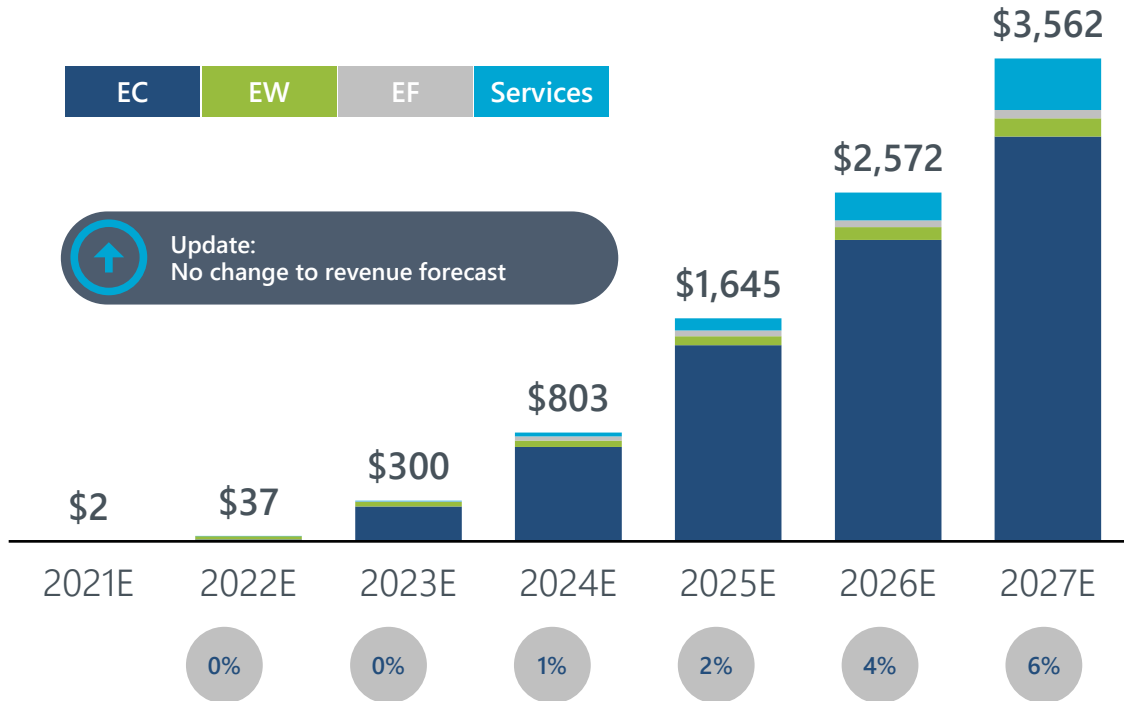


● Energy Center™ Opportunities

● Energy Warehouse™ Opportunities

\$7+ Billion Pipeline for Continued Growth in Outer Years

Projected Revenue by Product Offering (\$in millions)

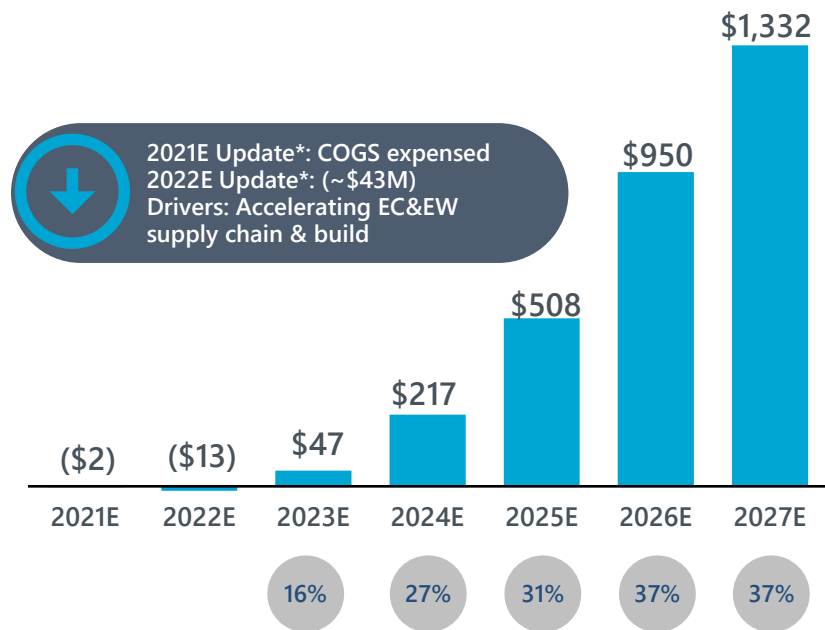


- Growth accelerates as Energy Center deployments start in 2023
- Forecast driven by identified pipeline of near-term opportunities
- ESS expansion into Australia (2023) and Europe (2024) supports continued growth
- Energy Franchise lease and Services revenue streams become bigger contributors as ESS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

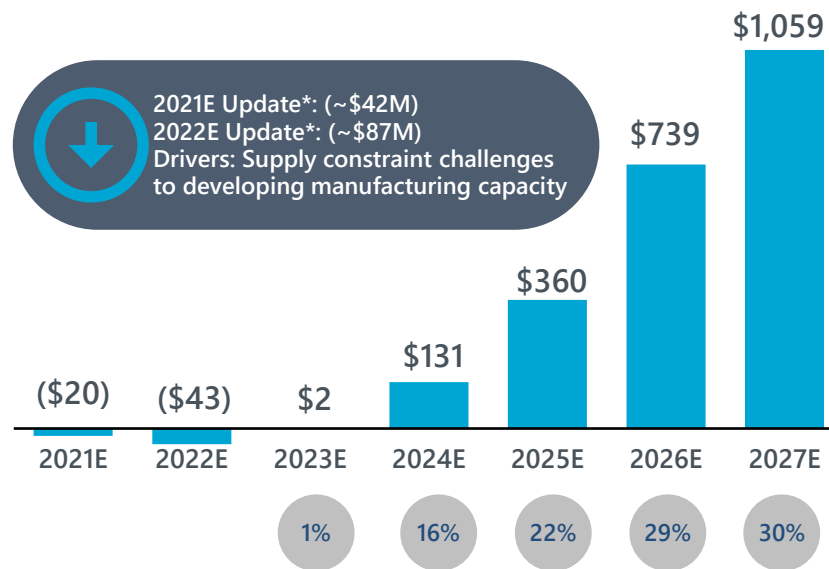
ESS Delivers Compelling Profitability



Projected Gross Margin (\$in millions)



Projected EBITDA (\$in millions)



* As a result of developments subsequent to the date these projections were prepared, ESS' management believes actual operating expenses for 2021 may be higher than previously projected as a 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 are expected to continue into 2022.

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)



CATALYZING A CLEANER FUTURE

