

# EUROPEAN ENERGY VENTURE FAIR 2003

**Effpower AB /  
Volvo Technology Transfer AB**

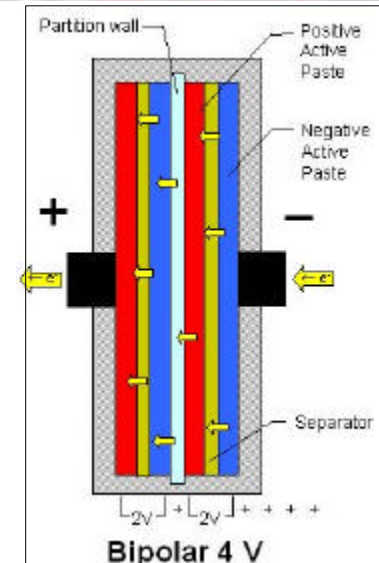


**The European Energy  
Venture Fair 2003**

**October 28 2003  
Zurich, Switzerland**

# An Innovative Product Offering

- Patented unique bipolar, lead acid technology
  - High-discharge and charge power.
  - Environmentally friendly.
- Superb test results
  - Cost effective.
  - Technical performance.
  - Life-cycle/durability.
- Ongoing field tests for 8 months+.
- ASTOR/USABC testing.
- Early commercial discussion.



# A Valuable Market to Capture



## Market

- Hybrid Elect. Vehicle (HEV) market expected to double every 3 years
  - Key drivers: legislation, fuel cons., life cycle costs and gadget
- Focus on Integrated Starter and Generator segments; "mild HEV"
- "HEV" growth so far hampered by expensive battery technologies.
- Lead-acid technology expected to continue to dominate.

## Competition

- No distinct direct competitor.
- NiMH technology likely to capture an increasing share of the market.

## Strategy

- Direct approach to all automotive manufacturers
- Teaming up with tier one suppliers when appropriate or necessary

# Our Business and Revenue Model



- Overall responsible battery supplier.
  - Responsible for overall design and performance.
- Protected and controlled production of unique battery plate
- Serial production/assembly likely to be outsourced (Co-op).
- Main revenue stream from good old fashioned unit sales.
- 2003-2004 Commercialisation phase.
  - Customer based lab testing.
  - Customer field tests of smaller series.
  - Aligning for major vehicle projects.
- Break even expected by 2005, but significant investments required for scaling up business especially production facilities, even if outsourced



# A network of Excellence



- Existing owners and management have direct experience from the successful "Optima battery " company (publ.) acquired by JCI in 2000.
- Lean organisation (4 emp. and 12 fully engaged persons) based on network of R&D partners
  - Chalmers University of Technology (Technical skills)
  - Creator (manufacturing and assembly skills)
- Stable, active and long term owners
  - Volvo Technology Transfer 48%
  - Swedish Ind. Development fund 31%
  - Optima Batteries and Management 21%
- Board largely reflecting ownership structure but subject to change

# Summary of fundraising offering



- -2003 VTT and Gylling Industries ("Optima") supported the company's main activity (R&D).
- 2003- The Swedish Industrial Development fund and VTT secures the financing (approx. €4m) expected to last the commercialisation phase.
- Next round when large scale serial production is required (2004/5).
- VTT looking at diluting its ownership by selling its shares in the existing rounds due autumn 2003 and summer 2004
  - Approximately €2m
- Exit possibilities (trade sales) considered good as battery industry consolidation (M&A) activities are significant and new players (HEV driveline manufacturers) are taking positions.

