Investor Conference

This is a translation version, and this version is intended for reference only.
The Chinese version shall govern all matters stated herein.

Safe Harbor Statement

This following presentation may include predictions, estimates or other information that might be considered forward-looking. These forward-looking statements are based on information available to Aleees as of the date of this conference and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements and please keep in mind that except as required by law, we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements.

Introduction

Organization

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Founded on Nov, 2007

Stock quote: 5227.tw

Advanced Lithium Electrochemistry (TAIWAN) Co., Ltd.

Founded on April, 2005

《Catode Materials》
- Manufacture
- Sales
- Research and development

Advanced Lithium Electrochemistry (HK) Co., Ltd.

Founded on July, 2009

《Cathode Materials》
- Sales

Advanced Lithium Electrochemistry (China ShanHAI) Co., Ltd.

Founded on January, 2010

Main Products

Cathode Materials -- Olivine-based and Ni-based layered oxides

Most advanced wet process in the world - Produce the longest life cycle of Cathode Materials for Lithium Ion Batteries

Advantages

Long life cycle, stable quality with good batch consistency, customizable.

192 global patents: 107 internally developed, acquisition of 85 globally licensed patents from HQ

Applications

New energy vehicle battery, energy storage system

Replacement of lead acid batteries in start/stop system for 12V and 48V

International Clientele

Certified by customers from Japan, Korea, Europe, and the U.S.

Company History

2005
- First Founded

2007~8
- Acquisition of patent licensing from Goodenough for carbon packaging and olivine structure manufacturing processes

2011
- Announced LFP-NCO Technology
- Mass production on olivine - based cathode materials for lithium ion batteries

2013
- Listed on Exchange in Taiwan

2018
- Transformed from China EV battery market into the global automotive supply chain and energy storage market

2019
- Became a qualified supplier of Japanese and Korean battery manufacturers
- Participated in global automotive supply chain in Europe, Japan, Korea, and the U.S.
- Top 5% among companies listed on Taiwan Stock Exchange for six consecutive years
- Accumulated to 2019, sales of cathode materials for Lithium-ion battery is over 13,000 tons globally

Competitive Advantage

Long Life Cycle

- Cycle life could reach 10000 times.
- Excellent batch consistency.
- Conductive speed enhanced one million times.
- Adding metal oxides to inhibit precipitation of iron ion.

Advanced Carbon-coating Technology

- Particle surface area have been coated for more than 2x by carbon content.
- Provided longer cycle life and higher power rate for customers' products..

High Reputation

- 192 global patent: 107 self-owned patents, and 85 global patents licensed from HQ.
- Accumulated to 2019, sales of cathode materials for Lithium-ion battery is over 13,000 tons globally .

Operational overview

Enter new niche markets

Form 2019

Past

Present and futur

Electric car

Hybrid car

lithium battery packs

Replacing

Lead-acid battery

Stationary energy storrge

Product end application market changes

The main market in the past
China's EV market

Become a qualified supplier of Japanese and Korean battery manufacturers, penetrate into the market of replacing lead-acid battery with lithium-iron battery, and enter the automotive supply chains in Japan, Korea and Europe and America.

Cooperate with a well-known manufacturer of electronic component and consumer goods in Japan、battery manufacturers in Europe and America to enter the high-end household and industrial use energy storage market

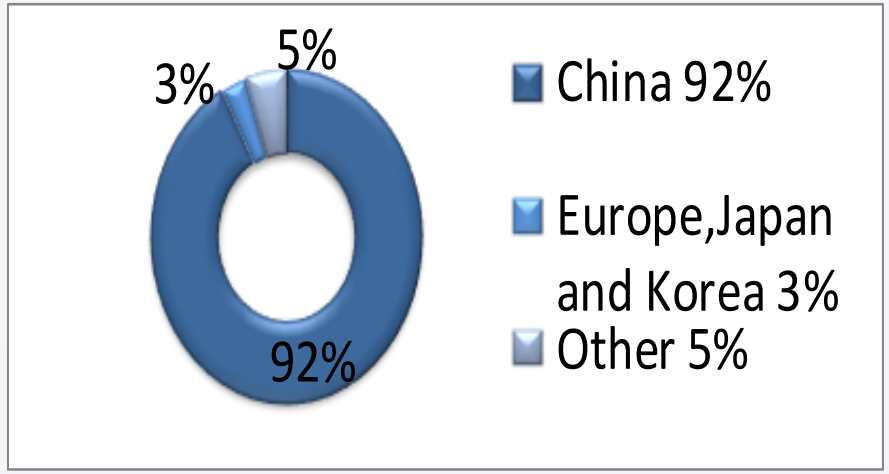
Expand markets in Europe, America, Japan and Korea

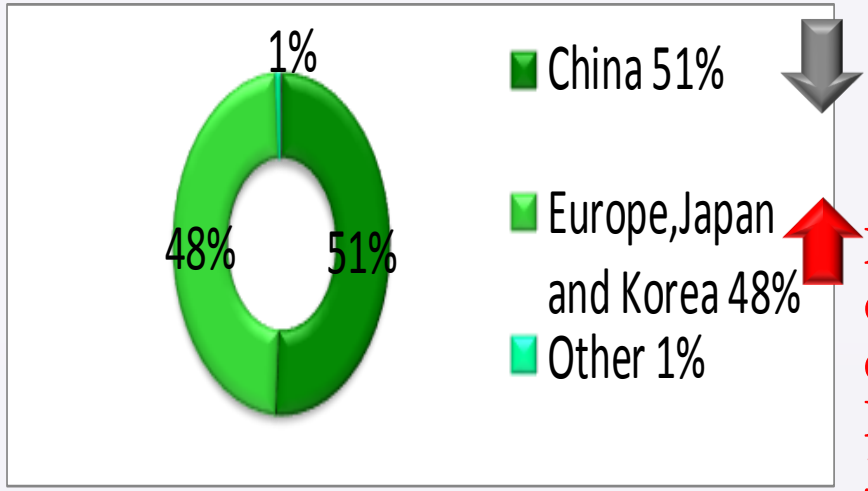
From 2019

Past

Present and futur

Customer base changes





Proportion of Chinese customers ↓ 41%

Proportion of customers In Europe, Japan and South Korea ↑ 45%

The sales revenue in 2018 is about 150 million yuan

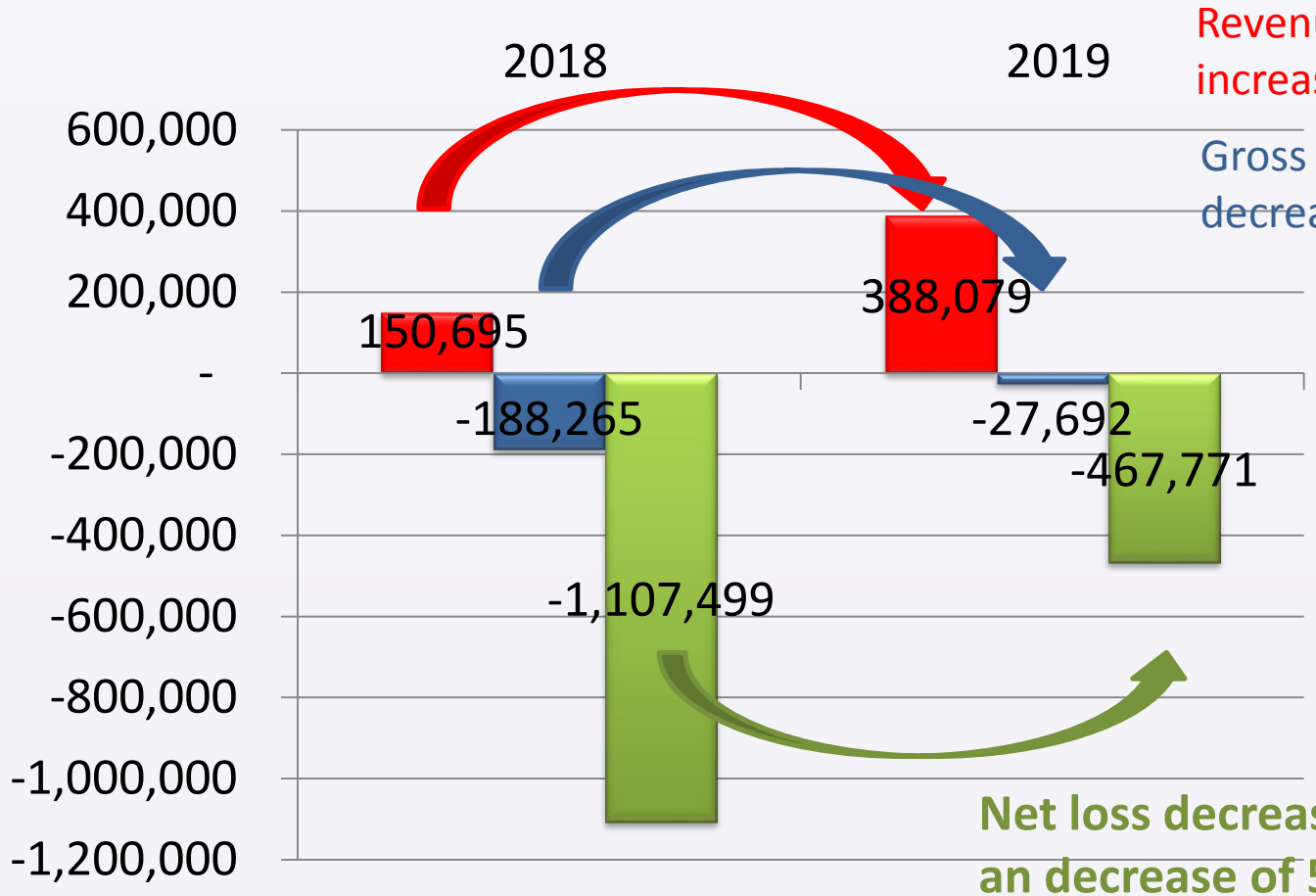
increase about 240 million yuan

The sales revenue in 2019 is about 390 million yuan

2019 year& 2018year

Transformation Gradually Achieved Significant Results and Revenue Growth, with Operating Performance Improved

(NT Thousand)



Revenue increased about $237,384 thousand, an increase of 158%

Gross loss decreased bout $160,573 thousand, an decrease of 85%

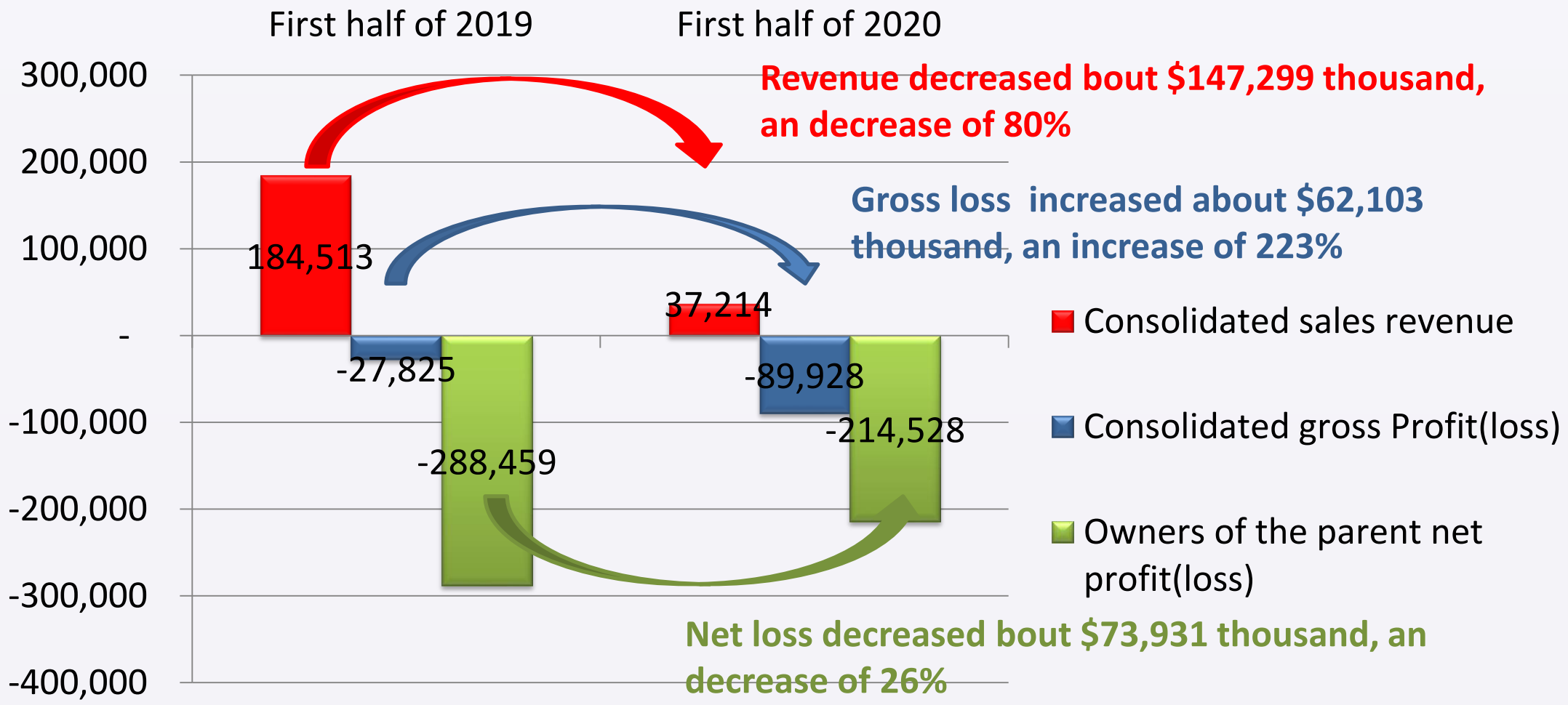
- Consolidated sales revenue
- Consolidated gross Profit(loss)
- Owners of the parent net profit(loss)

Net loss decreased bout $639,728 thousand, an decrease of 58%

First half of 2020&first half of 2019

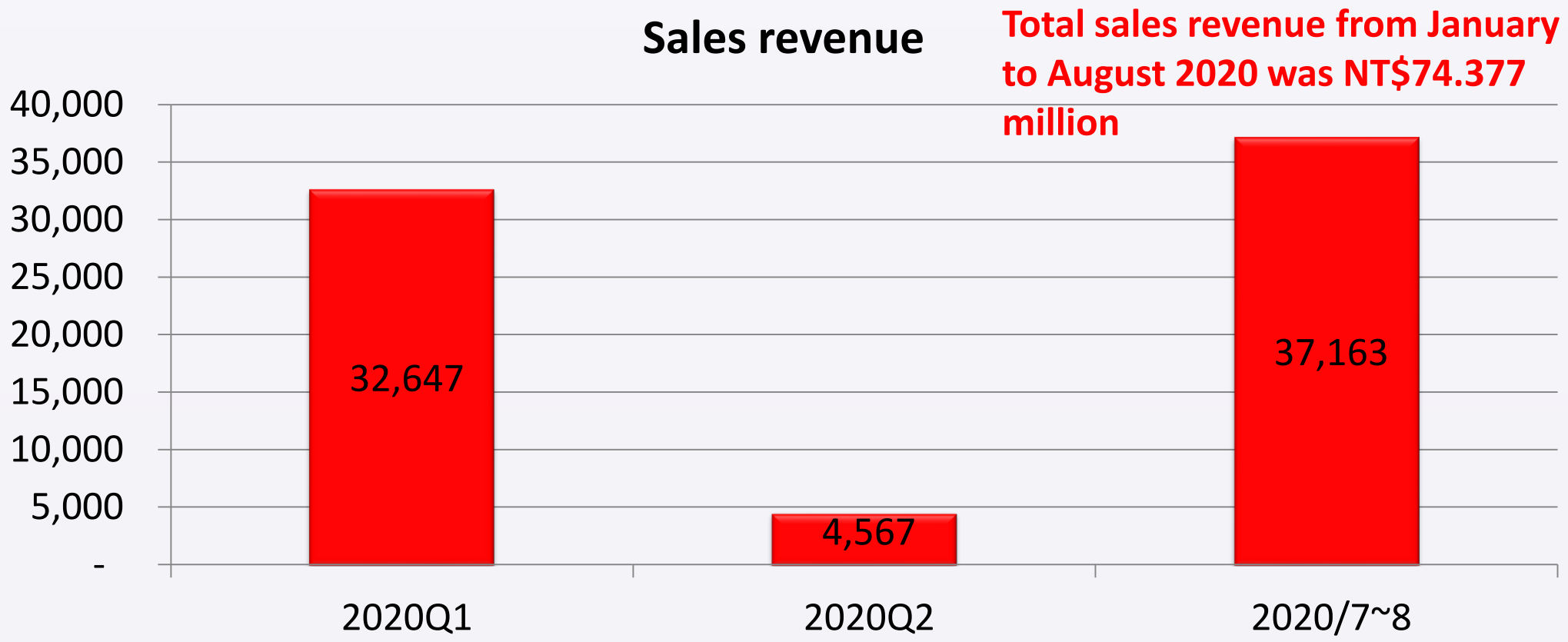
Revenue decreased due to the effects of COVID-19

(NT Thousand)



Sales revenue from January to August 2020

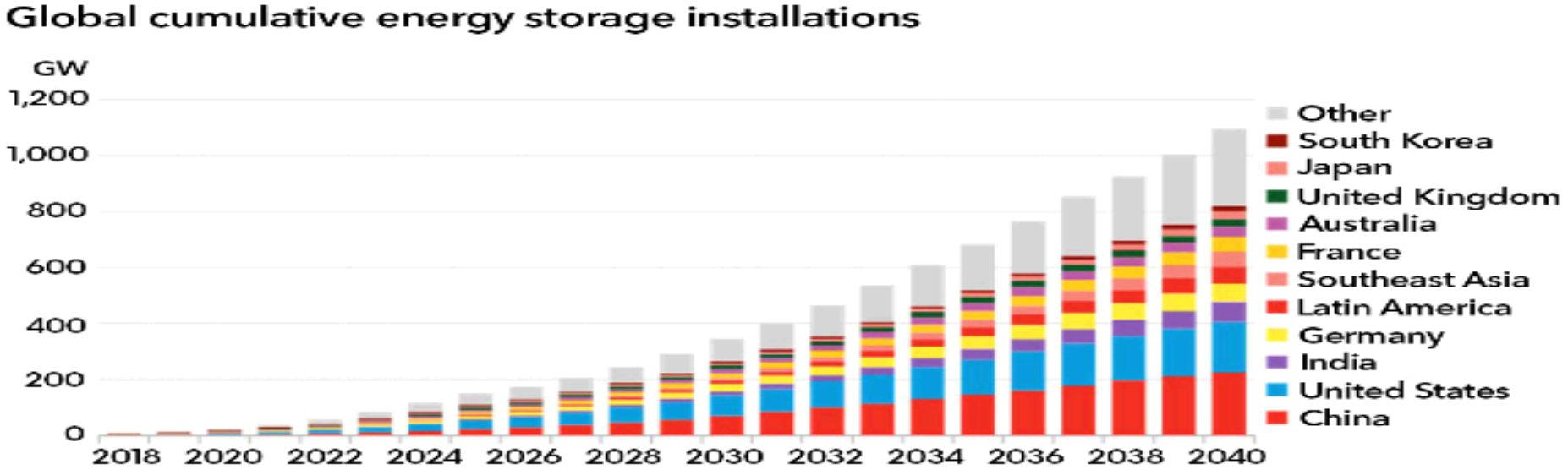
(NT Thousand)



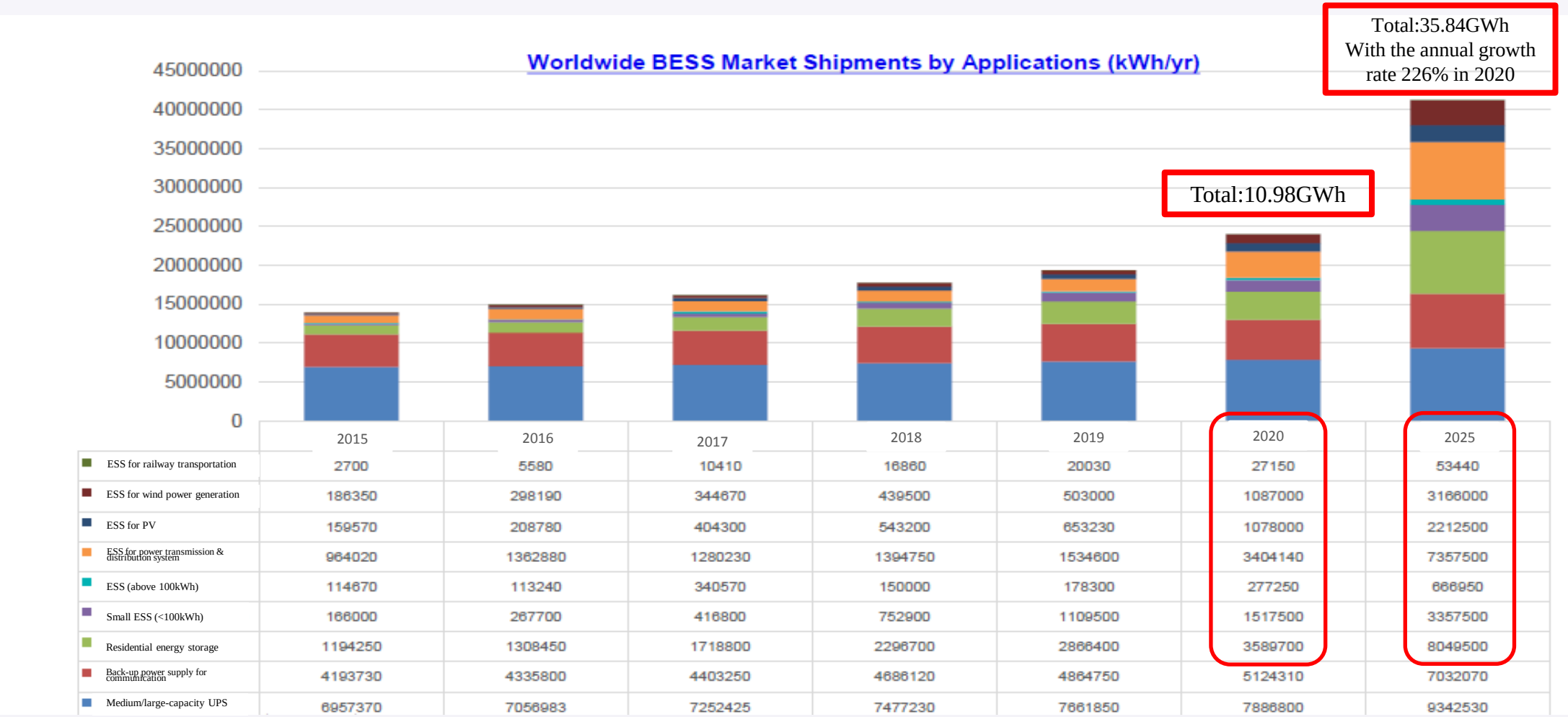
Product Terminal Application-Development of Energy Storage Market

Development of the Global Energy Storage Market (I)

- As shown by the latest report released by the market research agency, Bloomberg NEF (BNEF), the global capacity of energy storage will grow 122 times in the next two decades, which will reach 1,095GW / 2,850GWh by 2024, with the total investment amount reaching as high as US$662 billion. The momentum is driven by the demand for stationary energy storage and EV batteries.
- According to BNEF, the cost of lithium batteries will be reduced by 50% in the next decade, and the newly installed energy storage systems will be grid-connected. Therefore, the combination of renewable energy and battery energy storage will take up the leading position in the new era of "disposable renewables".
- South Korea was the world's largest energy storage market in 2019. However, China and the United States will become the world's top two energy storage markets by 2024.



Development of the Global Energy Storage Market (II)-ESS& Residential Energy Storage Forecast



	2015	2016	2017	2018	2019	2020	2025
ESS for railway transportation	2700	5580	10410	16860	20030	27150	53440
ESS for wind power generation	186350	298190	344670	439500	503000	1087000	3166000
ESS for PV	159570	208780	404300	543200	653230	1078000	2212500
ESS for power transmission & distribution system	964020	1362880	1280230	1394750	1534600	3404140	7357500
ESS (above 100kWh)	114670	113240	340570	150000	178300	277250	666950
Small ESS (<100kWh)	166000	267700	416800	752900	1109500	1517500	3357500
Residential energy storage	1194250	1308450	1718800	2296700	2866400	3589700	8049500
Back-up power supply for communication	4193730	4335800	4403250	4686120	4864750	5124310	7032070
Medium/large-capacity UPS	6957370	7056983	7252425	7477230	7661850	7886800	9342530

Source : Industry, Science and Technology International Strategy Center& Industrial Technology Research Institute

Development of the Global Energy Storage Market (III)- Lithium Battery BESS

- According to TrendForce's Green Energy Research (EnergyTrend) survey, the transformation from centralized energy generation to smart distribution grid (SDG) has become an inevitable trend for future smart cities. The global capacity of BESS will reach 3.2GWh in 2020, moreover, the CAGR during 2019~2024 will reach 22%.
- As there are higher requirements for power plants in terms of carbon emission reduction, new power plants should also pass the strict inspection for environmental impact. Optimized power structure also becomes an important smart trend for the power industry. ESS is taken as the best power buffering device, and plays multiple critical power roles at the same time, to achieve the goal of improving power generation efficiency for the traditional power plants or increasing the proportion of renewable energy power generation.
- As for the energy storage components, battery still takes up a critical position. Benefiting from the development of EV, the capacity of lithium battery has achieved expansion continuously, which results in more competitive pricing of batteries in the market, and promotes the emerging energy storage market.

Figure: Global BESS Installation Capacity Forecast (Grid Connection)

Source: TrendForce, Feb., 2020

Development of the Global Energy Storage Market (IV)- Introduction in Countries Worldwide

Energy storage market in North America

- It can be divided into three categories: energy storage in front of the meter (power generation, transmission and distribution), residential energy storage, and industrial energy storage.
- In accordance with the investment tax credit (ITC) and the Modified Accelerated Cost Recovery System(MACRS) tax incentives, the scope of subsidies and incentives was expanded from solar energy to ESS in 2016, which was granted with 22%~30% cost credits.
- As for the residential energy storage, due to the high electricity price (23~30cent/kWh) in regions such as California and Hawaii, the demand for energy storage from residential users increased. Tesla and Sunrun have released the solar energy systems with ESS. The market mechanism of electricity pricing has successfully generated demand for ESS.

Europe

- A considerable amount of renewable energy power plants have been built. It will focus on the demand for off-peak power storage. In recent years, residential ESS has been actively installed in many regions such as Germany.
- In the UK, the application on the power generation side is the key. When solar energy and energy storage are set up simultaneously, it is mostly to resolve the problem of peak power consumption. Especially when the seasonal power consumption is increased due to heating, the power generation side must be equipped with the facility to balance the power consumption of peak and off-peak hours. In the UK's demand side resource (DSR) bid in early February, the agreed capacity reached a market size of more than 100MW in one year.

Asia

- The electricity auxiliary service market in China will be transformed from the current price mechanism in which the government provides basic subsidies to the electricity retail market mechanism. In the long run, it will be likely to expand the application of energy storage in the grid, and it will also increase the market for energy storage behind the meter.
- Japan also set up nearly 500,000 residential solar grid-connected systems since 2009. The 10-year preferential power purchase has also expired, which has promoted the demand for energy storage applications in the modification market. Japan's policy requires renewable energy power plants to be equipped with ESS for stable output.

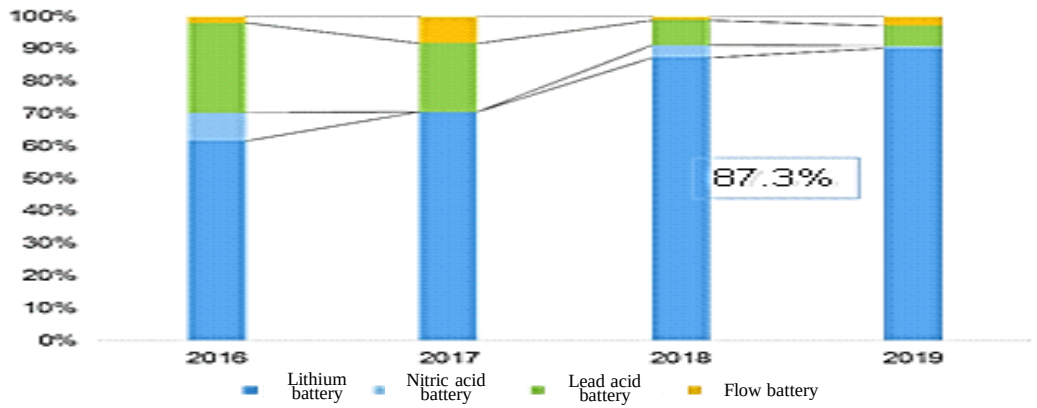
In the long run, the development of the IoT will make the trend of smart grids more obvious. Together with the incentives such as power transmission efficiency and reduction of carbon emissions from power generation, the energy storage market will be expanded continuously.

Source: TrendForce Feb.,2020

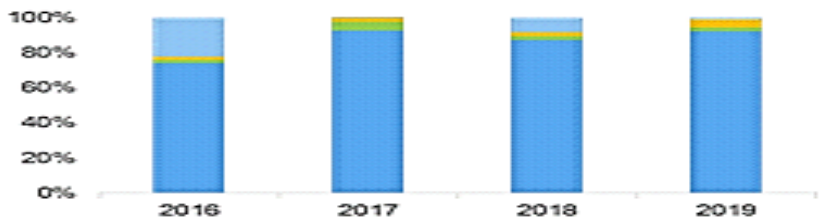
Development of the Global Energy Storage Market (V)- Lithium Battery

- Lithium battery is the electrochemical energy storage technology that grows the fastest and takes up the highest proportion in energy storage applications.
- Lithium battery energy storage products have seized more than 80% of the market share, with cost advantages and diversified applications. With a rapid cost decline and outstanding performance, it could meet the major needs of grid-level energy storage, and take the place of lead-acid batteries to become the mainstream technology in the small and medium-sized energy storage application market technology.

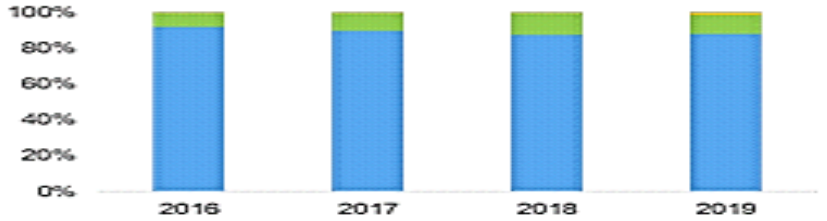
Global Application Trend of Stationary Energy Storage Technology



Application Trend of Grid-level Energy Storage Technology



Application Trend of Industrial and Residential Energy Storage Technology



Technological maturity, cost and financing capability are the challenges for various energy storage technologies

Source: IEK, ITIR(2019/06)

- As shown by the data released by BNEF, the average price of global lithium battery packs in 2019 has dropped by 87% if compared with that in 2010, which was about US$156/kWh. The average price of lithium battery packs in China was the lowest, namely US$147/kWh.
- As estimated by BNEF, the price of lithium battery is expected to drop to US$150/kWh during 2020~2023, reaching an economic turning point for ESS application.

THANK YOU