Forward Looking Statements

THIS PRESENTATION INCLUDES FORWARD-LOOKING STATEMENTS THAT ARE MADE PURSUANT TO THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS INVOLVE INHERENT RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN THE FORWARD-LOOKING STATEMENTS, AS A RESULT OF VARIOUS FACTORS INCLUDING THOSE RISKS AND UNCERTAINTIES DESCRIBED IN THE RISK FACTORS AND IN MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS SECTIONS OF OUR MOST RECENTLY FILED ANNUAL REPORT ON FORM 10-K AND OUR SUBSEQUENTLY FILED QUARTERLY REPORTS ON FORM 10-Q.

WE URGE YOU TO CONSIDER THOSE RISKS AND UNCERTAINTIES IN EVALUATING OUR FORWARD-LOOKING STATEMENTS. WE CAUTION READERS NOT TO PLACE UNDUE RELIANCE UPON ANY SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE MADE.

IN THIS DOCUMENT, WE REFER TO INFORMATION REGARDING POTENTIAL MARKETS FOR PRODUCTS AND OTHER INDUSTRY DATA. WE BELIEVE THAT ALL SUCH INFORMATION HAS BEEN OBTAINED FROM RELIABLE SOURCES THAT ARE CUSTOMARILY RELIED UPON BY COMPANIES IN OUR INDUSTRY. HOWEVER, WE HAVE NOT INDEPENDENTLY VERIFIED ANY SUCH INFORMATION.

This presentation copyright 2016 by EnSync Energy Corporation
The Transformation of Our Business

<table>
<thead>
<tr>
<th>Battery Sales</th>
<th>Integrated System Sales</th>
<th>Electricity Sales</th>
<th>Electricity Supply Response on Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>– Utility Storage and Energy Management Systems</td>
<td>– Power Purchase Agreements, including EnSync products, EPC and 3rd Party Products (eg. solar)</td>
<td>– Move from Demand Response to Supply Response</td>
</tr>
<tr>
<td></td>
<td>– Commercial and Industrial Building Energy Management and Storage Systems</td>
<td>– Initial cash intake from sale of equipment and services into PPA</td>
<td>– Spot Market Electricity Sales</td>
</tr>
<tr>
<td></td>
<td>– Service Contracts</td>
<td>– Sale of high yield PPA</td>
<td>– Enable the “Internet of Energy”</td>
</tr>
</tbody>
</table>

Pre-2013 | 2013 | 2015 | 2016 and Beyond
Favorable Policy and Demand Trends
Global, National and Local Policies will Drive the Renewable Energy to be >50% of the Added Generation Capacity from 2020 through 2030

Source: Bloomberg 2013
EnSync Addresses the Growing Solar Market

The Utility and Commercial & Industrial solar markets require EnSync system solutions to maintain their phenomenal growth trajectory.
Favorable Policy and Demand Trends Driving Adoption of EnSync Solutions

- **Paris Climate Accord**
  - Global incentives by individual countries to meet compliance targets

- **Supreme Court endorsed Federal Energy Regulatory Commission (FERC) jurisdiction over demand side management**
  - Ruling clears the way for FERC to designate behind the meter energy as a grid resource

- **State commissions continue to adjust Net Metering programs with reductions or eliminations**
  - Removes the “grid as a free battery”, a barrier to robust energy storage deployment, and makes incorporation of storage almost mandatory for solar installations

- **Solar PPA investors understand need for storage**
  - Majority view energy storage systems and solar as being the best solution for the future, and as a safer investment because storage provides a hedge against uncertainty.

Favorable policies are driving demand growth. Example: ITC, net metering elimination and time of use rates are driving growth in U.S. Solar + Storage market for C&I and Residential. $1.0B combined market by 2018.

Source: GTM
## Trends in Energy Generation and Distribution

<table>
<thead>
<tr>
<th>Market</th>
<th>Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Scale</td>
<td>DG/Renewables at utility level are driven by government policies</td>
</tr>
<tr>
<td>Residential, C&amp;I</td>
<td>DG at residential, commercial &amp; industrial are driven by rates and policies</td>
</tr>
<tr>
<td>Smart Grid Transition to Supply Response</td>
<td>Shift from consumer demand reduction to DG + “supply response” for spot market electricity sales</td>
</tr>
<tr>
<td>Energy Storage</td>
<td>EnSync’s systems foundational because it enables all the above to transact</td>
</tr>
</tbody>
</table>

EnSync products and solutions will both enable and capitalize on each of these energy generation and distribution trends.
Solutions that Enable the Shift to Renewable Energy
Solutions that Enable the Shift to Renewable Energy

- **EnSync is a leading distributed energy systems and service provider**
  - Allow for the effective integration of various energy sources (grid + solar + storage)
  - Ensure real-time optimal mix to decrease overall electricity costs and increase reliability
  - Focused primarily on commercial, industrial, and multi-tenant buildings and microgrids
Two Breakthrough Product Solutions

Matrix Energy Management

Agile Hybrid Storage System™
Why Hybridize

- EnSync is an integrated power systems and energy solutions company, not a stand alone battery manufacturer.
- We are applications driven - we select the right energy storage and power technologies for the application or group of applications.

- No “Silver bullet” battery for every case.
- Even good batteries can be bad batteries, if operated improperly.
- Multiple application systems may require multiple battery types in hybrid operation.
Matrix + Agile Hybrid System:
Effectively Managing the Shortfalls of Solar Power Generation

The Agile Hybrid Storage System approach to managing the imbalances of energy consumption compared solar demand is the most effective solution on the market.

Leverages the best capabilities of Flow and Lithium Ion Battery.
Agile Hybrid Storage System™: Benefits of Storage in C&I Solar DG System

End-Customer Benefits:

Income Opportunity
- DG Electricity Sales
  - Enable DG Market Participation (VPP, DER Marketplace)
- DR Revenues
  - Market DSM/DR Up/Down Flexibility
- Renewable Smoothing
  - Access Higher PPA Prices
  - Volt/Var Support
  - Frequency Regulation and Load Following Services
- Ancillary Services

Cost/Risk Reduction
- Time-of-Use Shifting
  - Shift Excess Solar Generation for Future Use at Higher Time-of-Use Tariff
- Peak Demand Charges
  - Reduce Electricity Bill by 20% to 50% with Peak Demand Shaving
- Improved Power Quality
  - Improve Power Quality
- Reduce Generator Costs
  - Reduce Backup Generator Operation and Cut Fuel Costs (Natural Gas and Diesel)
- Resiliency for Outages
  - Backup Generation
  - Islanding During Outages

Source: GTM, EnSync
Agile Hybrid Storage System™: Integration of Leading Storage Technologies

The Agile Hybrid Storage System™ is the only commercially available solution that covers all applications in the facility economically and efficiently by combining Power and Energy applications in one proprietary integrated system.

Power Applications (Lithium Ion Battery)
• Utility Frequency Regulation
• Power Quality
• Renewable Firming
• Back-Up Power

Energy Applications (Agile Flow Battery)
• Demand Response
• Peak Shifting
• Solar Self Supply/Consumption
• Back-Up Energy
Agile Hybrid Storage System™: Value Creation Streams

- Applications are example only and highly dependent upon actual market conditions and regions of the country
- For example, Frequency Regulation can possibly achieve all your savings with one application

Source: EnSync, Lazard
# Our Energy Storage Product Portfolio

## C&I (50-500kWh)

<table>
<thead>
<tr>
<th>EnSync Agile</th>
<th>EnSync Li-ion</th>
<th>EnSync Agile 600 Hybrid</th>
<th>EnSync Agile 1000 Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zn-Br Flow Battery</td>
<td>Safest Chemistry</td>
<td>450kWh ZnBr Flow</td>
<td>ZnBr Flow</td>
</tr>
<tr>
<td>60kWh Max</td>
<td>30kW/22kWh “modules” for “Power” Applications</td>
<td>160kWh Li-ion</td>
<td>250kW</td>
</tr>
<tr>
<td>Rated Discharge – 12.5-25kW</td>
<td>&gt;30 to &lt;90% DOD for maximum lifetime and economics</td>
<td>250kW</td>
<td>1000kWh</td>
</tr>
<tr>
<td>100% DOD for “Energy” Applications</td>
<td></td>
<td>Integrated Hybrid Control Logic</td>
<td>Utility scale energy applications</td>
</tr>
</tbody>
</table>

## C&I (600kWh-2MWh)

<table>
<thead>
<tr>
<th>EnSync Agile Hybrid</th>
<th>EnSync 1000 Li Ion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated EnSync ZnBr + Li-ion energy storage system</td>
<td>1000kW-1500kW</td>
</tr>
<tr>
<td>For up to 500kWh installations</td>
<td>1000kWh</td>
</tr>
<tr>
<td>Best possible economics for power and energy applications in a C&amp;I or microgrid installation</td>
<td>Utility scale power applications ≤2 hours or less discharge</td>
</tr>
</tbody>
</table>
Matrix Energy Management Platform: Fully Differentiated C&I and Microgrid Solution

- Differentiated platform technology for Commercial and Industrial Building and Microgrid energy control

- “Drawer-based” modules allow configurability for any building specific load, PV system, storage technology and storage size.

- Active prioritization of grid, renewables and storage produces electricity based on most efficient and economic result, without the requirement for fixed algorithms and a central controller.

- Simple, scalable, reconfigurable and future proof

- Highest efficiency energy management platform available

- UL1741 and Hawaii “Smart Inverter” requirement compliant
Matrix Energy Management Platform: Synchronizes the Load, Dist. Generation and Utility Grid

- Proprietary “Auto-Sync” DC-Bus modular control platform for integrating grid, renewable and energy storage inputs with the facility load.
- No algorithms or central controller required – simple and scaleable.
- Complete utility / ISO connectivity for “Supply Response on Demand”
- Secure building to utility connectivity
- Platform enables “Internet of Energy”
# Matrix Energy Management Platform:
**Significant Advantages Over Competition**

<table>
<thead>
<tr>
<th>Function or Application</th>
<th>EnSync Matrix</th>
<th>Product A</th>
<th>Product B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Energy Synchronization for any or all DC and AC Inputs and Outputs without System Controller / Complex Algorithms</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can manage every power and energy storage application under simultaneous operation</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modular, Scalable, Efficient and “Future Proof” for 20 Year service life</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand Response</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Frequency Regulation</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>“Rate Shifting”</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>“Peak Shaving”</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Demand Charge “Clipping”</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Renewable Firming</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Full Data Logging and Forecasting of Generation and Storage</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Supply Response on Demand” between Building DG and Grid Network</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DC Output Management and Control (eg. DC lighting, Building DC)</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microgrid Operation</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Max. Power Point Tracking</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Power Factor Correction and AC Bus Voltage Regulation</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
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<tr>
<td>Islanding</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
</tr>
</tbody>
</table>
EnSync’s Advantages

- Cost Effective
- Reliability
- Availability
- Efficiency
- Sustainability

- Environmental Impact
- Safety
- Infrastructure Requirements
- Resiliency
- Ability to Monetize More Applications
**Current PPA Case Studies:**

Each will save >$2 million electricity spending over 20 year term

**Century West Condominium: Oahu, Hawaii**

Multi-tenant Condominium

Customer will save >$2.0M in electricity spending over the lifetime of the PPA

Configuration:

- 400kW PV; 460kWh EnSync Hybrid Storage
  - (6) EnSync Agile Flow Battery Systems
  - (5) EnSync Li Ion Systems
  - EnSync Energy Management System

PPA Term: 20 Years

**University of the Nations: Kona, Hawaii**

Contract Signed July 2015

Customer will save >$2.0M in electricity spending over the lifetime of the PPA

Configuration:

- 408kW PV; 400kWh EnSync Hybrid Storage
  - (4) EnSync Agile Flow Batteries
  - (5) EnSync Li Ion Batteries
  - EnSync Energy Management System

PPA Term: 20 Years
**System Sales**

- **Open Access Technology International (OATI) in Bloomington, Minnesota**
  - Matrix Energy Management and Agile Hybrid Energy Storage Systems will be incorporated into the Microgrid South Campus and establishes a potential Key Channel for EnSync into North American Utilities.
  - Business with >90% of USA and Canada utilities
  - Targeting utility communication / control with DG assets
  - 200kWh EnSync Energy Storage
    - (3) EnSync Agile Flow Batteries
    - (3) EnSync Li Ion Batteries
  - Matrix Energy Management System
  - Target Completion: May 2016

- **Cayman Technology Centre (CTC) in the Cayman Islands**
  - Provide an advanced energy management and energy storage system for the largest "off-grid" renewable energy installation in the Cayman Islands
  - Off-Grid Complex with PV, Hybrid Storage, Energy Management System & Gen Set
  - Caribbean reference project

- **Current Project Backlog**
  - $2.5 million (a/o 12/31/15)
Example of Operational Off-Grid Micro-Grid: 
Beachcomber Resort

- Located in Tetiaroa Atoll, Tahiti

- “Brando” Leed Platinum Luxury Eco Resort
  - 35 Private Villas
  - Pools and Spa
  - Multiple Restaurants
  - Staff residences
  - Water Desalination

- 100% Energy Independent
  - 2000kWh of EnSync V3.3 Flow and Li Ion Energy Storage
  - EnSync Power Electronics
  - PV
  - Diesel Gen Set

- In Operation in January 2016