epsiline

PRESENTATION TO INDUSTRYA

17 January 2022

Data Analytics to Boost Wind Energy Asset Returns

€2 million Fundraise

Investment Highlights

Disruptive digital solution in commercial acceleration phase

Dynamic team supported by experienced & engaged sector experts

Attractive business-model (40%+ recurrent revenues)

System sales already with 5 of global Top 20 (63 commercial units[3]) with strong commercial pipeline

Huge addressable market (300K installed base @ end-2020[1]) and high growth (+20K pa)

Highly differentiated SaaS solution + "solid-state" sensor[2]

Capital-lite & flexible ("fabless") operating model

[1] Global Wind Energy Council (GWEC); [2] 3rd generation (already "offshore-ready"); [3] sold / booked (Sales & Rental business models)

Agenda

Our Go-to-Market

Key account strategy, internationalisation, competitive position, commercial progress

Team & Resourcing

Team Profile & resourcing plans

Financials & Funding

New Business Plan highlights, funding needs & uses

Appendix

GTM by Geography, Detailed Competitive Analysis

Epsiline's Go-To-Market Strategy

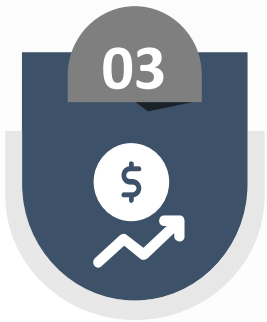
The existing funding round will enable Epsiline to execute its GTM strategy

Target Market

- 300,000+ units installed base
- Existing windfarms:
  - France 2020+
  - EU 2021+
  - NA 2023+
  - China 2024+

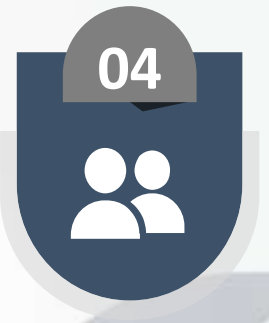
Unique Selling Proposition

- Accurate & relevant data capture
- Sophisticated data analysis tools
- Ease-of-installation
- Low capital outlay
- Compelling functionality roadmap



Channel

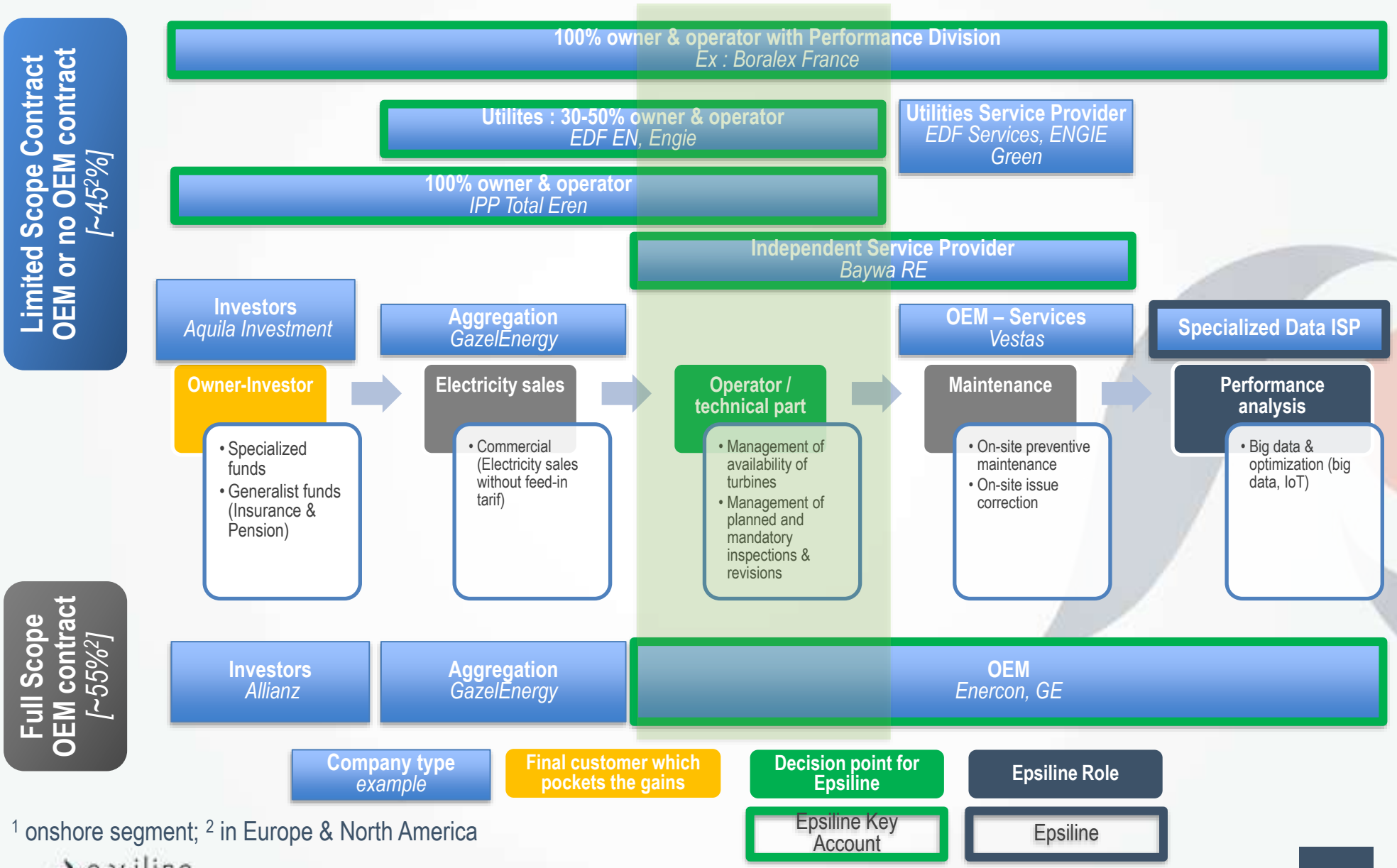
- Direct B2B sales
- Agents (currently) for Qualified Lead generation
- Existing windfarms under:
  - **Limited-scope OEM contracts → Utilities & IPPs**
  - Full-scope OEM contracts → OEM Services Divisions



Launch Market Team

- Hiring of dedicated international sales team 2022-2024
- Key near-term hires:
  - VP Sales Europe
  - Data analysts
- Dedicated resource for OEMs

Value Chain & Actors' Activities[1]



[1] onshore segment; [2] in Europe & North America

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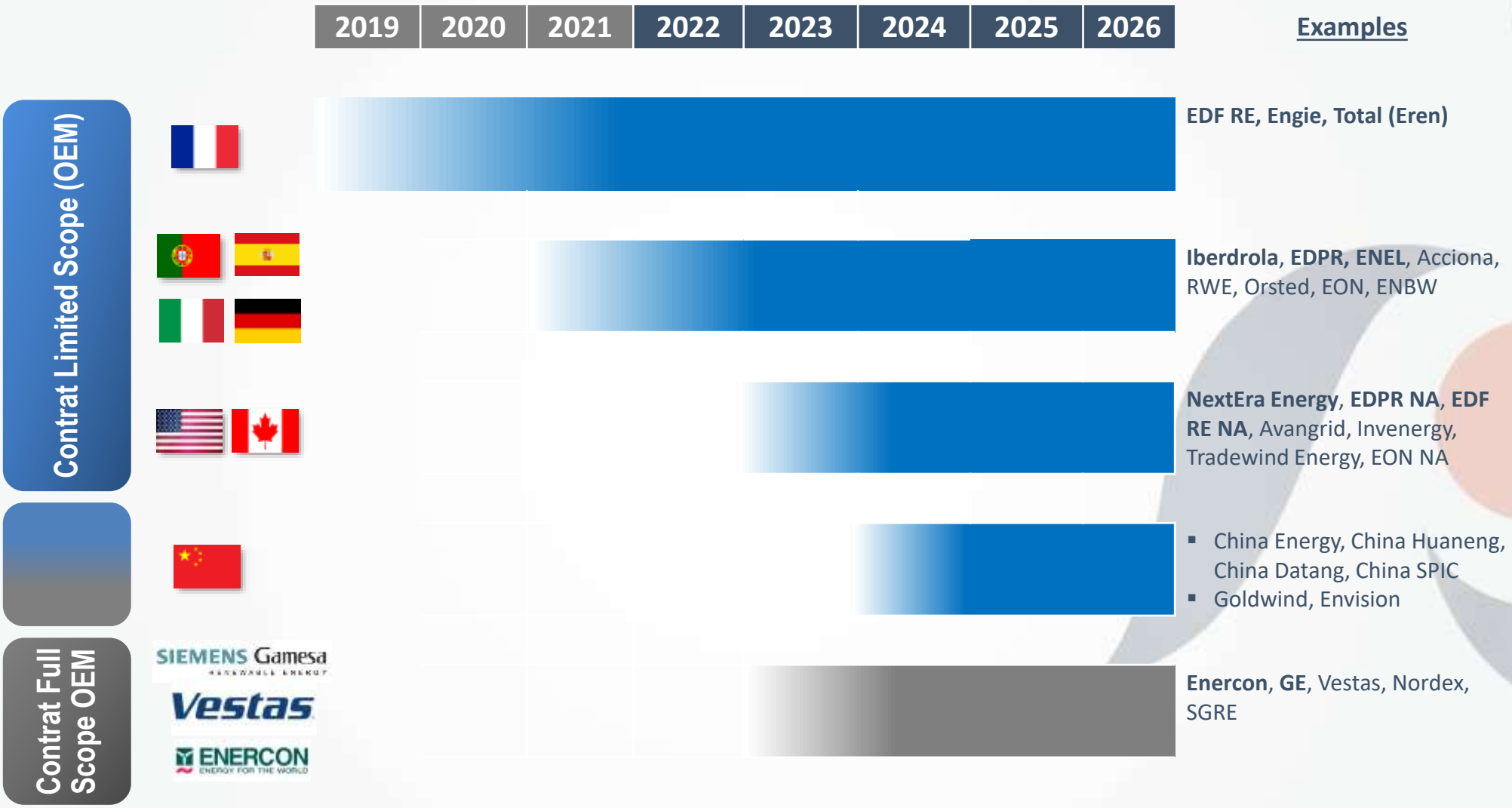
Commercial Internationalisation Plan



BOLD = target Key Accounts for Epsiline

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Commercial Internationalisation Strategy (2022-2025)

	Key Goals	Key Initiatives
Europe (ex-France)	▪ **2022: Field trials with main utilities (Iberdrola, EDPR, EON, ENBW etc.)** ▪ 2023: fleet deployment with these utilities	▪ **Hire VP Sales Europe** ▪ Open Sales offices in Hamburg & Madrid ▪ Target customers with dedicated "Performance Optimization" teams
North America	▪ 2H23: Field trials with 5 of the top 10 US utilities ▪ 2025: US subsidiary @ breakeven	▪ **Leverage European HQ relationships** ▪ Open office in Chicago ▪ **Hire NA Sales Head**
China	▪ 2H24: Field trials with 3 of the "Big 5" ▪ 2025: fleet deployment with 2 utilities	▪ 2024: Open office In Beijing with Chinese Senior Sales Team + dedicated after-sales service
OEMs	▪ 2022: Field trials with Enercon & GE ▪ 2023: WindEagle as an option / add-on in these OEMs' services catalogue	▪ Active Advisor support for GE (Europe Offshore) & Enercon ▪ Hire OEM Senior Sales for Europe (initial focus SGRE & Enercon)

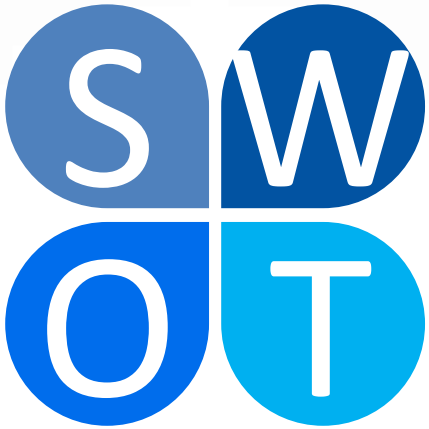
Go-To-Market SWOT Analysis

Strengths

- Strong solution USP
- Attractive customer value proposition
- Robust competitive moat
- Accomplished & active Advisory team

Weaknesses

- Limited commercial (sales & after-sales) resources
- Narrow leadership team
- Insufficient balance sheet



Opportunities

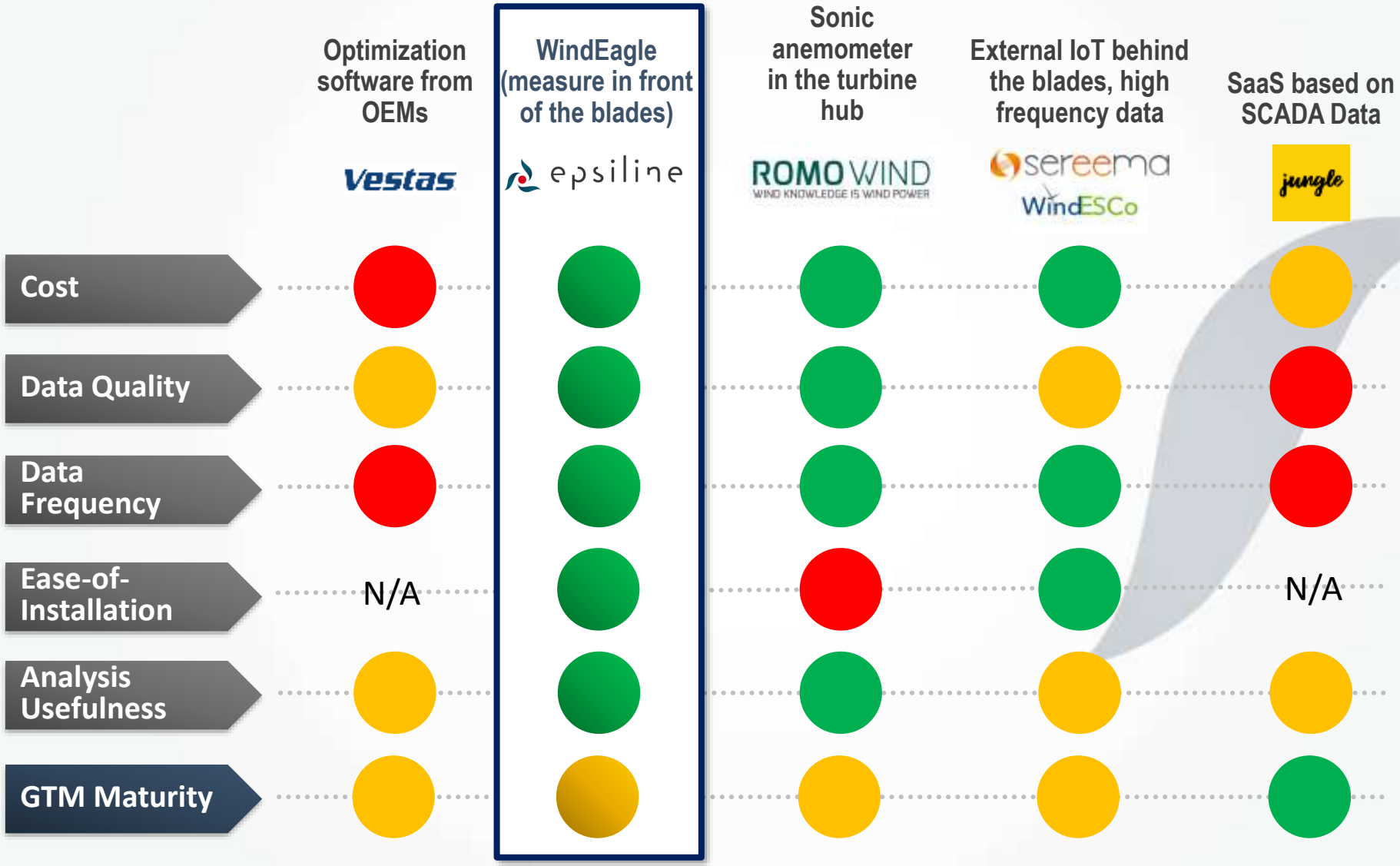
- “Digitalization” of wind sector the key trend 2020-2030
- Large portion of European & US windfarms exiting feed-in-tariff (& non-repowerable) in the coming 2 years
- OEMs need to develop their Services offering
- Offshore windfarm segment (“wake effect” …)

Threats

- OEM services strategy
- OEM “blocking” tactics (full-scope contracts only)
- Competitor actions (unknown)

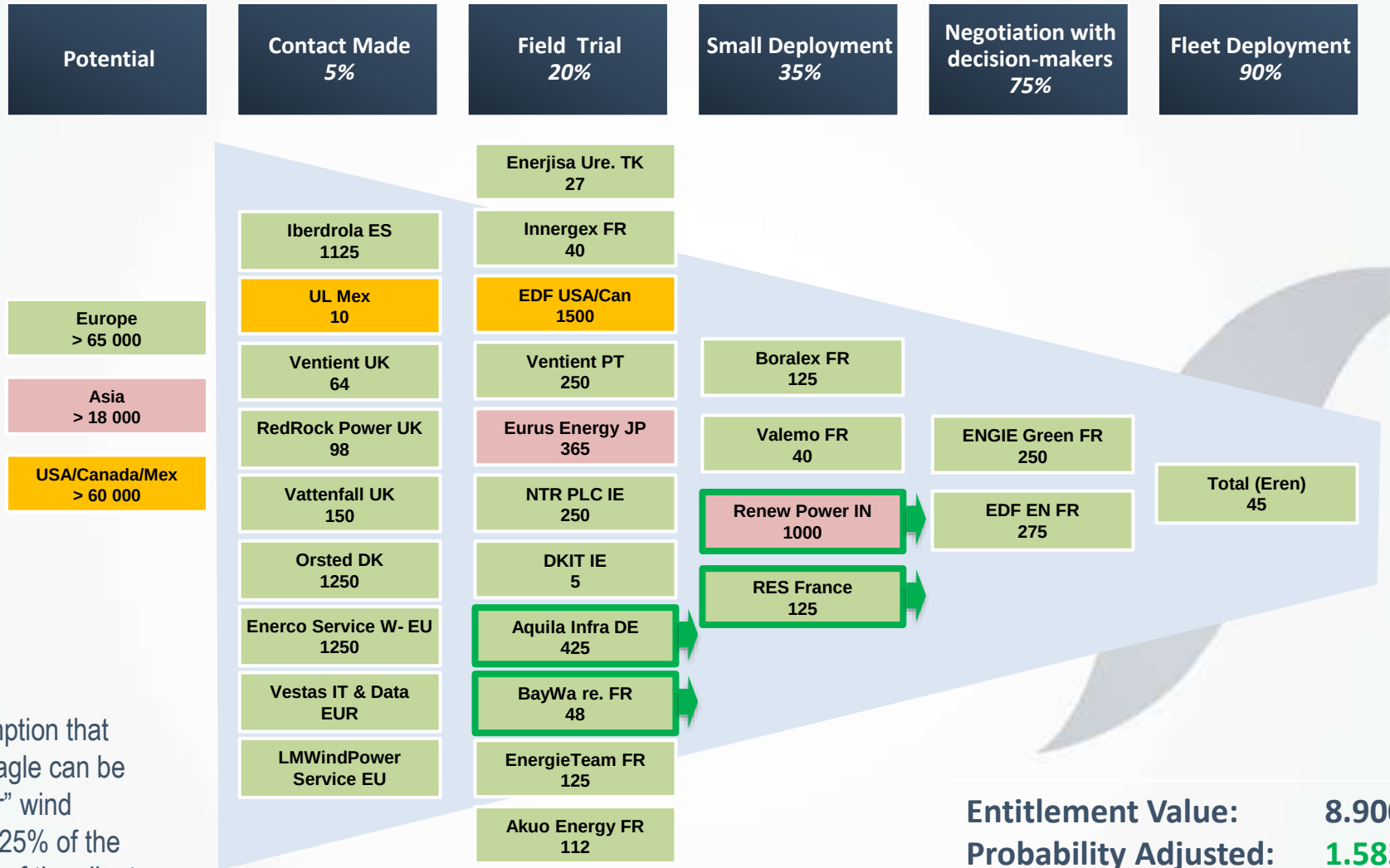
Competitive Position

Epsiline optimizes important criteria



UNDER NDA

Commercial Funnel [units[1]] – End-December 2021



Note: Assumption that "one" WindEagle can be used for "four" wind turbines, i.e. 25% of the total turbines of the client

[1] total demand over 2-3 years

Entitlement Value: 8.900 Units

Probability Adjusted: 1.585 Units

Best momentum

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GTM by Geography, Detailed Competitive Analysis

Start-2022 Operating Team

Christophe LEPAYSAN
CEO, Founder (after studies)
- Engineer Sup-Optique, branch Entrepreneur (Institut d'optique, Paris-Saclay)
- Founded EPSILINE

Commercial Team

Murray DAWSON
Sales, Europe
- 30 years sales experience in multinationals
- BAE Systems, Elf, Louis Dreyfus

Inmaculada SOMOSIERRA
Sales Agent, Southern Europe
Since 03/2021
- 15 years experience in wind turbines : Envision Energy, EDPR, Siemens Gamesa

Fabrice MARTIN
Sales Agent, DACH Zone
Since 12/2021
- Background in German wind energy market

Technical Team

Raphaël TEYSSEYRE
Doctorate, R&D Optics & Software
- Co-inventor of patents
- 10 years technology sector experience

Marc PREVOSTO
Mechanical engineer
- 4 years technology sector experience

Sébastien ROUX[1]
Data Analyst
- MSc Mathematics & AI

[1] interim targeted for full-time role

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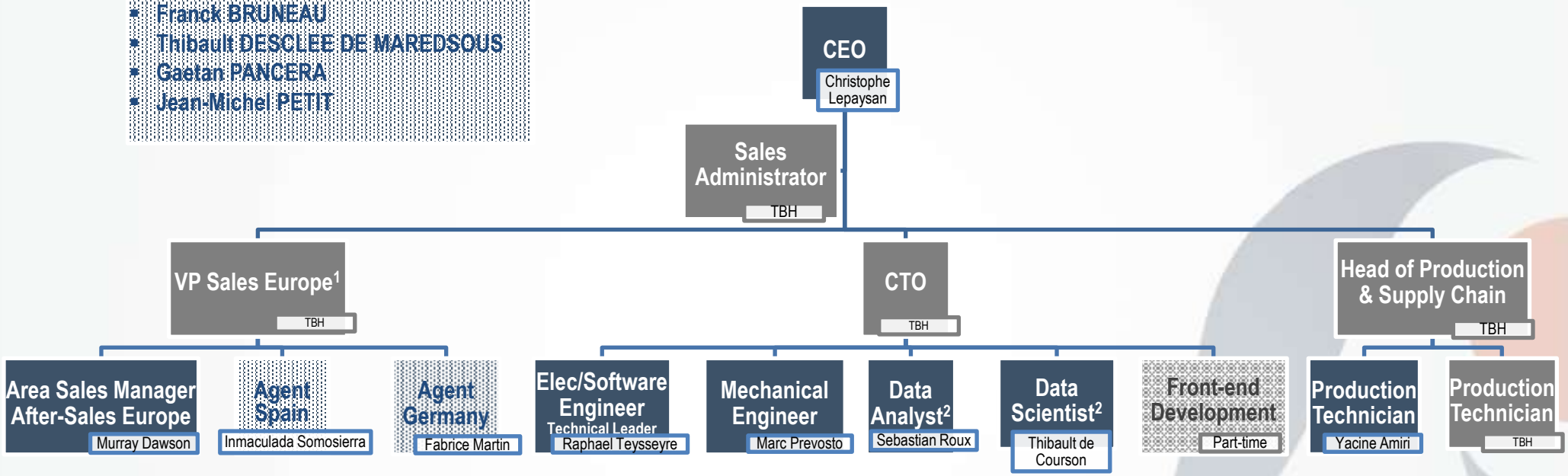
Organisation Chart: 2022

Board "Comité Strategique"
- André ANTOLINI
- Franck BRUNEAU
- Thibault DESCLEE DE MAREDSOUS
- Gaetan PANCERA
- Jean-Michel PETIT



Current Team | New Hire | Non-FTE

[1] recruitment in progress; [2] current interims, targeted for full-time roles

Note: Sales activities currently undertaken by C. Lepaysan & M. Dawson + Sales Agents (Qualified Lead generation)
André ANTOLINI's active support for contacts with Senior Executives of French Utilities
Thibault DESCLEE DE MAREDSOUS' active support for contacts from European OEMs

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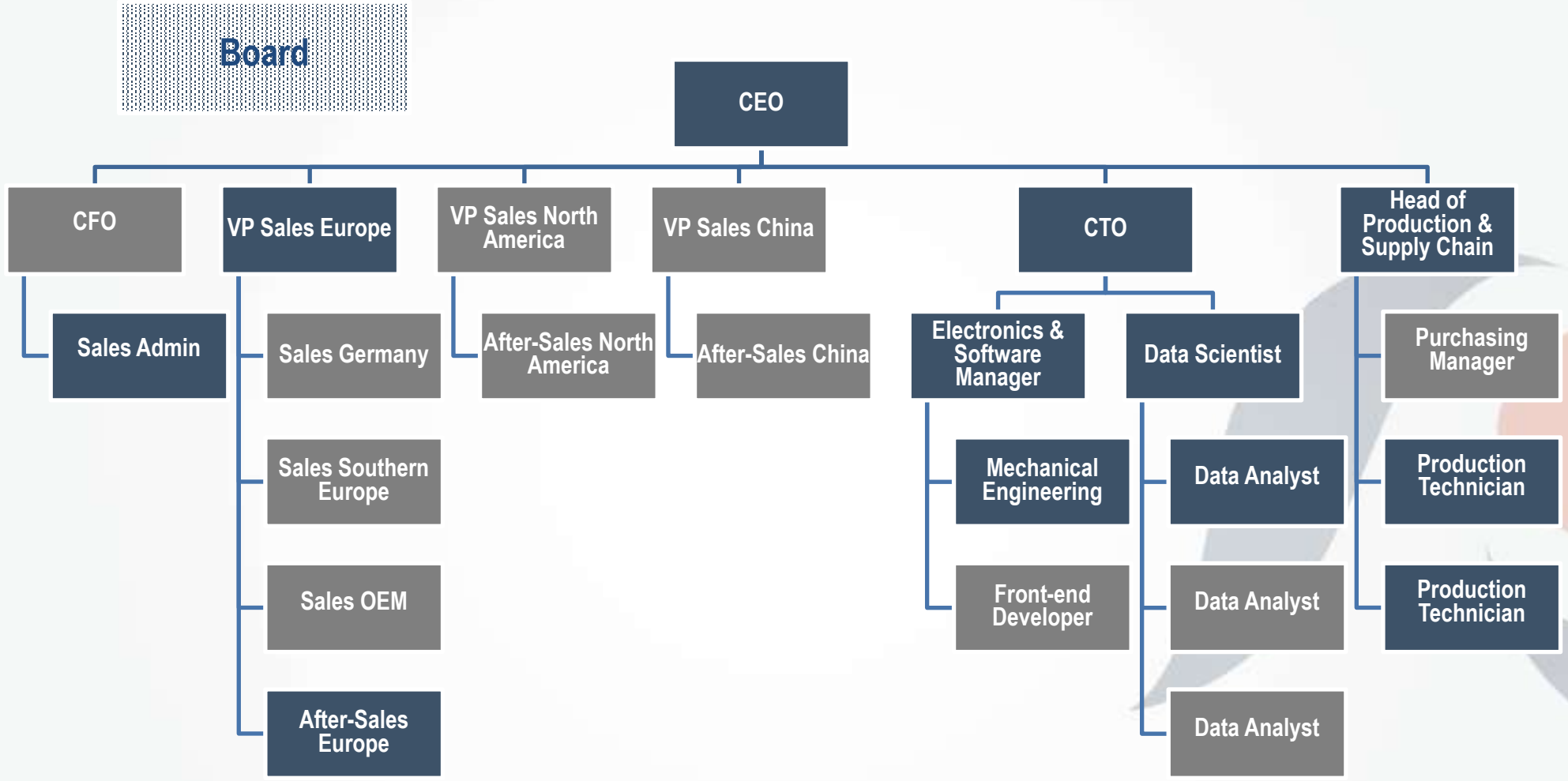
Target Organisation Chart: "by end-2025"



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Business Model

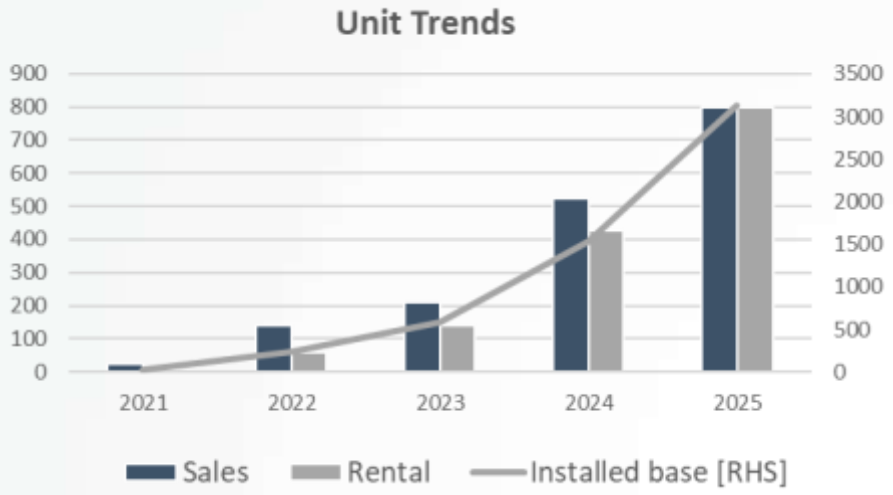
Epsiline is rolling out an attractive new services model in response to customer demand

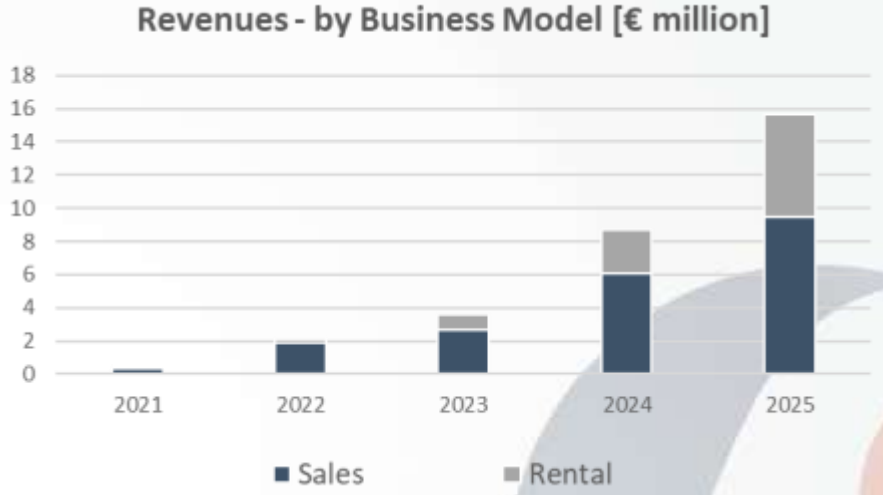
Business Model	Description	Comments
IoT sales & subscription to web platform	▪ Purchase of IoT sensor (9k€-13k€ subject to volume) ▪ Web platform subscription 600-900 €/yr (subject to volume), data transfer costs included	▪ Initial business model (2020+)
Full Services	▪ Wind turbine selection service from SCADA data: 700 € / day ▪ Installation of the sensor on a wind turbine: € 550 / wind turbine ▪ Rental (3-year commitment) for monitoring to ensure immediate detection when problems arise: – € 575 / month / wind turbine the first year – € 325 / month / wind turbine the following years – Data post-analysis included	▪ New business model responding to specific customer request ▪ More attractive margin + ARR profiles ▪ Sensors partially funded by our banks[1] ▪ First step towards a "Data-as-a-Service" business model

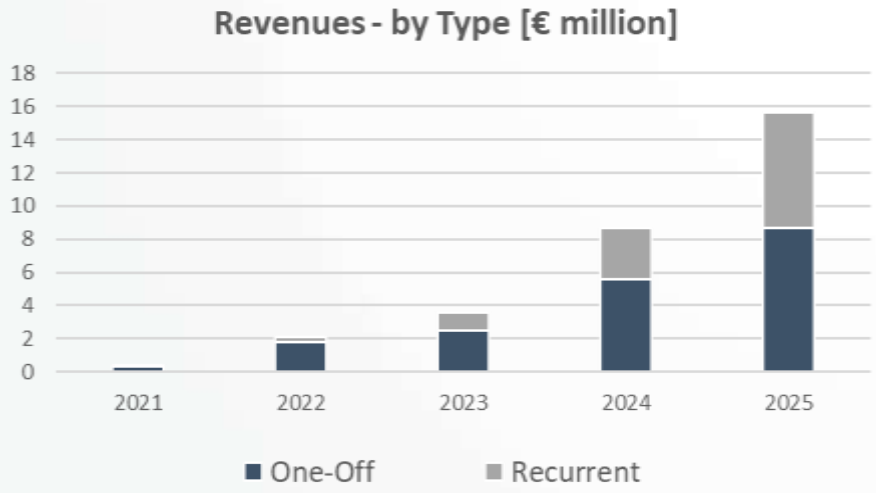
[1] Currently €85,000 approved, renegotiating to €150,000 (no firm order obligation necessary)

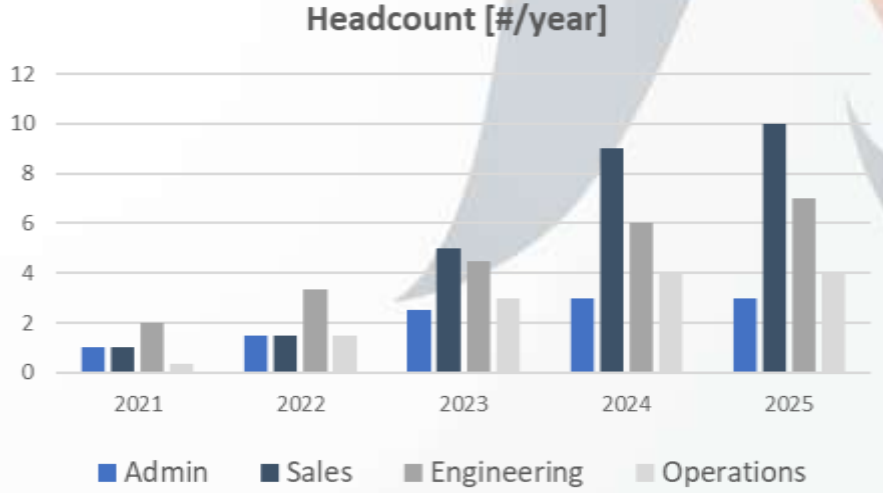
Revised Business Plan[1] – Scale-Up

Attractive new business model supporting sales ramp …





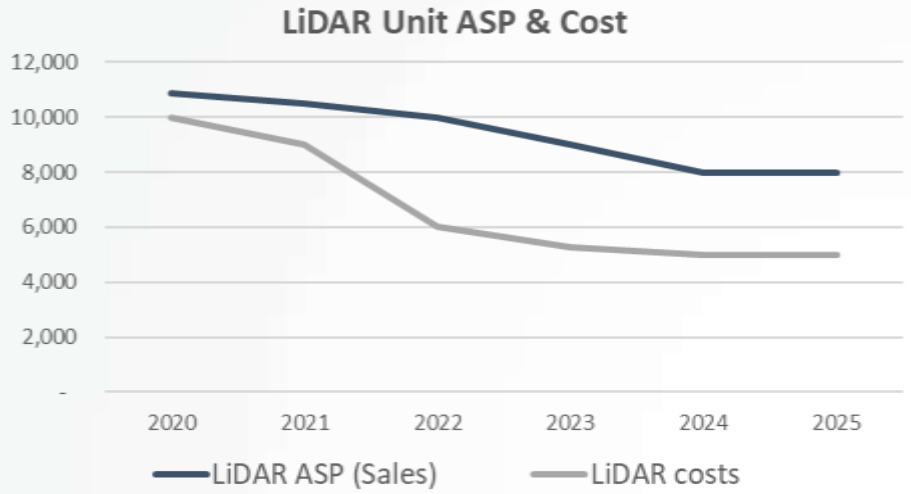


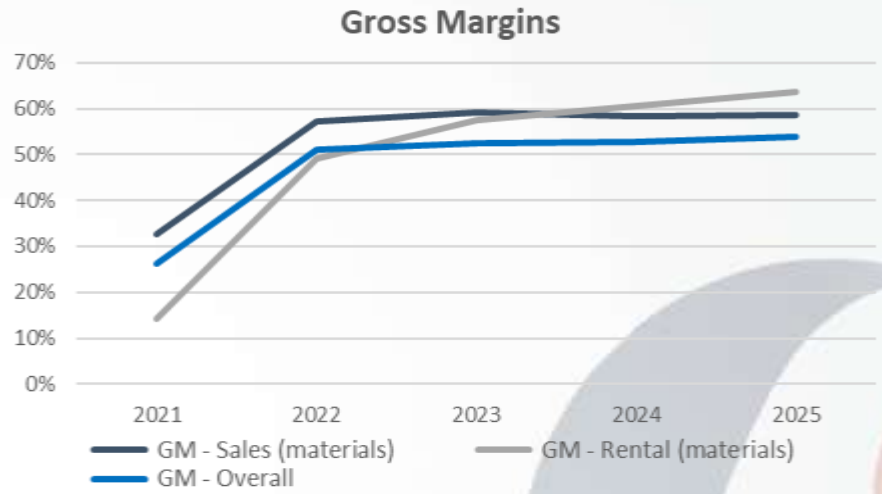


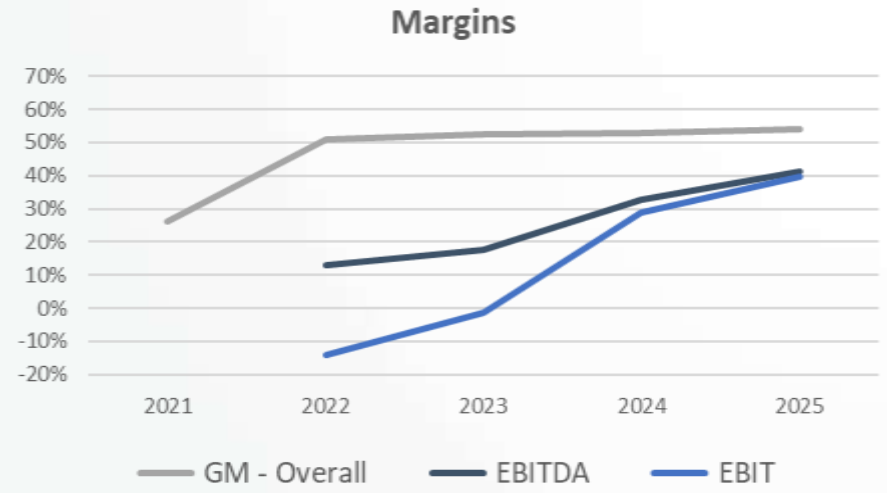
[1] assumes €2 million fundraising in 1Q22; awaiting final Board approval

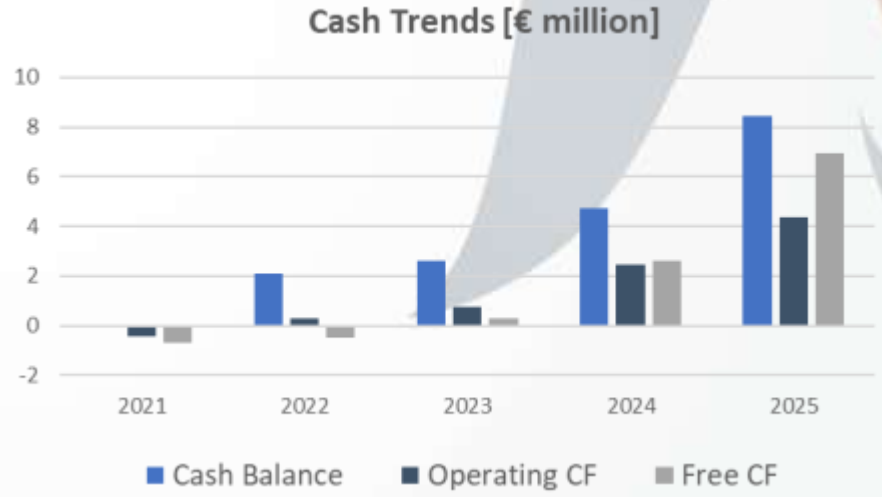
Revised Business Plan[1] – Returns

… as well as attractive margin profile









[1] assumes €2 million fundraising in 1Q22; awaiting final Board approval

Uses of Funds

2M€ to accelerate commercial scale-up

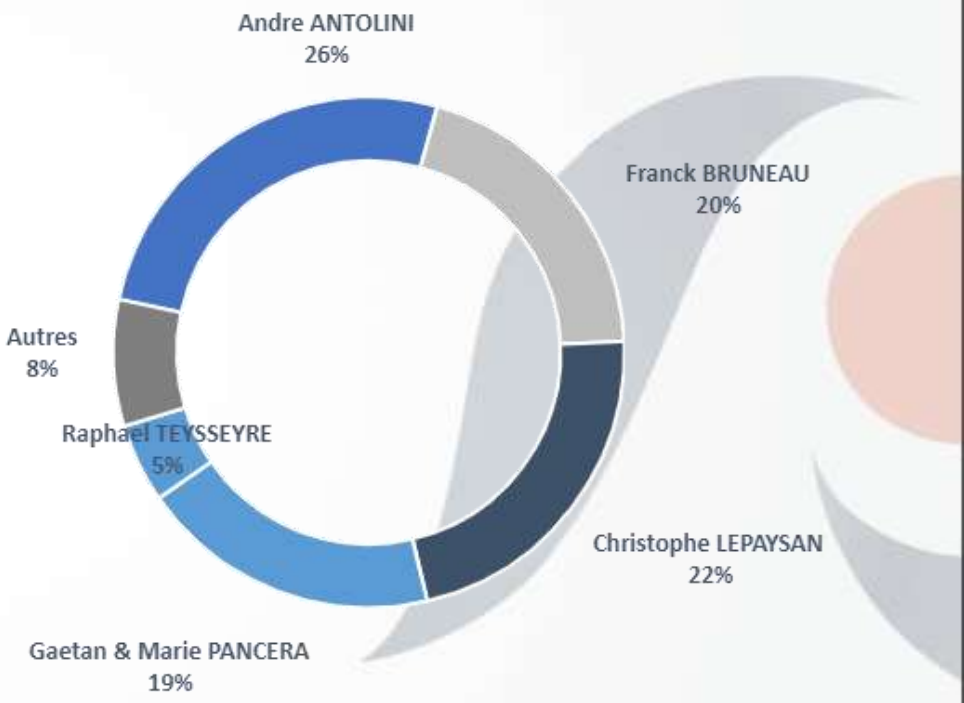
2022:

- Commercial scale-up in Europe
  - VP Sales - Europe
  - EU country offices
- Working capital
- Supply chain hires
- Reinforcement of the technical team (data analysis)

2023-2025:

- Worldwide scale-up
  - Europe country Sales
  - OEM Sales
  - VP Sales – North America
  - VP Sales China
  - Country offices
- Ongoing Engineering efforts
- Working capital (incl. Rental model ...)

Shareholder Base - Fully-Diluted[1]



[1] includes an agreement in principle with the current shareholders on a BSPCE plan to increase the ownership of Christophe LEPAYSAN and Raphaël TEYSSEYRE over 3 years, pre current funding round.

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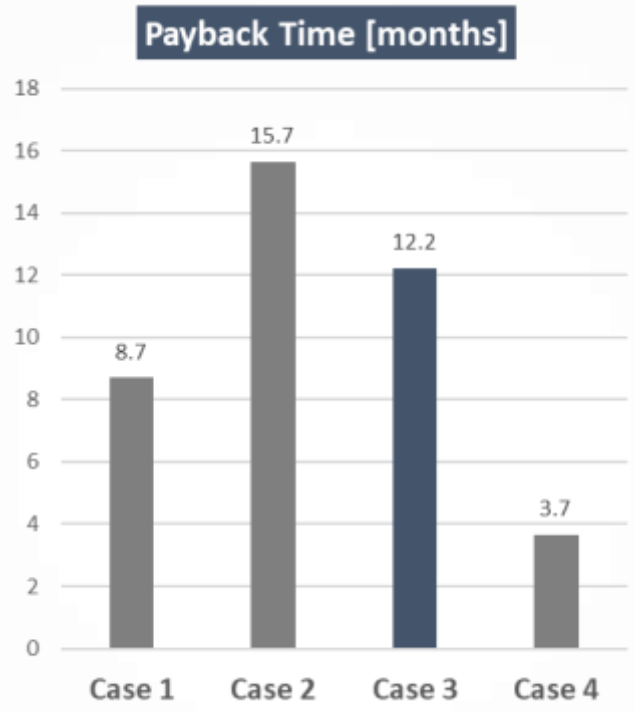
Our Value Proposition

RoI typically < 1 year

WindEagle Functionality

- Yaw Misalignment
- Aerodynamic Imbalance
- Turbulence Intensity Gain
- Mass imbalance



Site / Turbine Specifics

- Age
- Rating (MW)
- Current degree of optimization
- Complexity of terrain

Case #1: 3MW, 25% capacity factor, newer turbine, several optimisations necessary
Case #2: 3MW, 25% capacity factor, newer turbine, moderate misalignment and weak aerodynamic imbalance
Case #3[1]: 2MW, 30% capacity factor, older turbine, moderate misalignment
Case #4: 2MW, 30% capacity factor, older turbine, significant misalignment

[1] Most common case for wind turbines installed from 2005-2015

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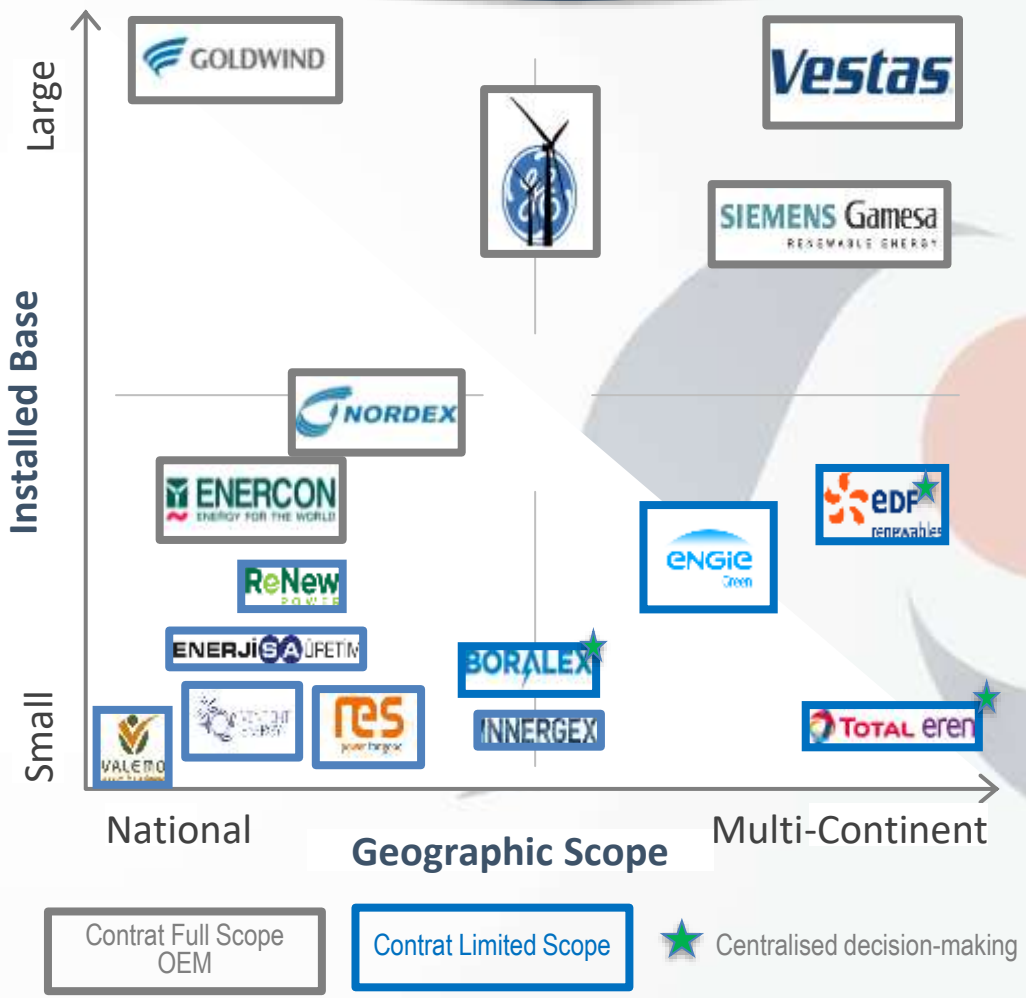
Geographic Market & Customer Profiles

by Geography

by Key Account



[1] Significant portion (~30%) of market is owned by councils & farmowners

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Commercial Strategy : Europe ex-France

Target Accounts [GW]

- Iberdrola 17 GW
- Acciona 8 GW
- EDPR 12 GW
- ENEL 15 GW
- EON 13 GW
- EDF 8 GW
- ENGIE 6 GW
- ENEL 6 GW

Market Specificities (pertinent to Epsiline)

- Many of installed wind turbines will be out of feed-in tariff in the next 2 years + full-scope contract prices increase every year → opportunity when O&M is brought in-house
- Germany:
  - Utilities purchasing decision decentralized by Länder (most HQ located in Hamburg)
  - Relatively old wind farms
- Spain: Relatively old windfarms

Commercial Initiatives (2022-2025)

- Hire VP Sales Europe
- Germany: Open office in Hamburg; Sales process by region
- Spain : Open office in Madrid in 2022-2023 & enter AEE & AEMER
- Target customers with dedicated Performance Optimization team

2022-2025 Goals

- 2022 : Field trials with main utilities (Iberdrola, EDPR, EON, ENBW etc.)
- 2023: fleet deployment with these utilities

Commercial Strategy : North America

Target Accounts [GW]

- NextEra Energy Resources 15 GW
- Avangrid 7 GW
- MidAmerican Energy 6 GW
- EDP NA 6 GW
- ENEL NA 5 GW
- RWE NA 4 GW
- EDF NA 4 GW
- Invenergy 3 GW

Market Specificities (pertinent to Epsiline)

- Same target customers US & Canada
- European Utilities (esp. Spain, Portugal, Italy) are present on this market
- Tariffs (PPA) ~1/2 European level
- Big and remote windfarms (30-70 WT/WF), bulk orders targeted
- US: Modern WT specifically in the MidWest (from Illinois) to Texas
- Canada : most of WT in Ontario & Quebec

Commercial Initiatives (2022-2025)

- Leverage European HQ relationships
- Open office in Chicago
- Hire NA Sales Head
- Customer after-sales team

2022-2025 Goals

- 2023 : Field Trial stage with 5 of the top 10 US utilities
- 2024 : US subsidiary @ breakeven

Commercial Strategy : China

Target Accounts [GW]

- China Energy 43 GW
- China Huaneng Group 23 GW
- China Datang Group 20 GW
- China SPIC 19 GW
- CGN Power Group 17 GW
- China Huadian Group 15 GW

Market Specificities (pertinent to Epsiline)

- Several large State-owned utilities dominate the market (most HQ'ed in Beijing)
- No subsidies since end-2020 → pressure for owners to optimize
- Big and remote windfarms (30 WT/WF) - bulk orders targeted
- Not so much local technical competence near the windfarms
- After-sales service important

Commercial Initiatives (2022-2025)

- 2023 : Open office In Beijing with Chinese Senior Sales Team + dedicated after-sales service

2022-2025 Goals

- 2023 : Field trials with 3 of the "Big 5"
- 2024 : fleet deployment with 2 utilities

Commercial Strategy : OEMs

Target Accounts [GW]

- Vestas 145 GW
- Siemens-Gamesa 115 GW
- GE 62 GW
- Enercon 50 GW

Market Specificities (pertinent to Epsiline)

- OEMs pursuing strategy to increase service revenues (more profitable than turbine sales)
- OEMs have to increase the value of their services (e.g. with IoT)

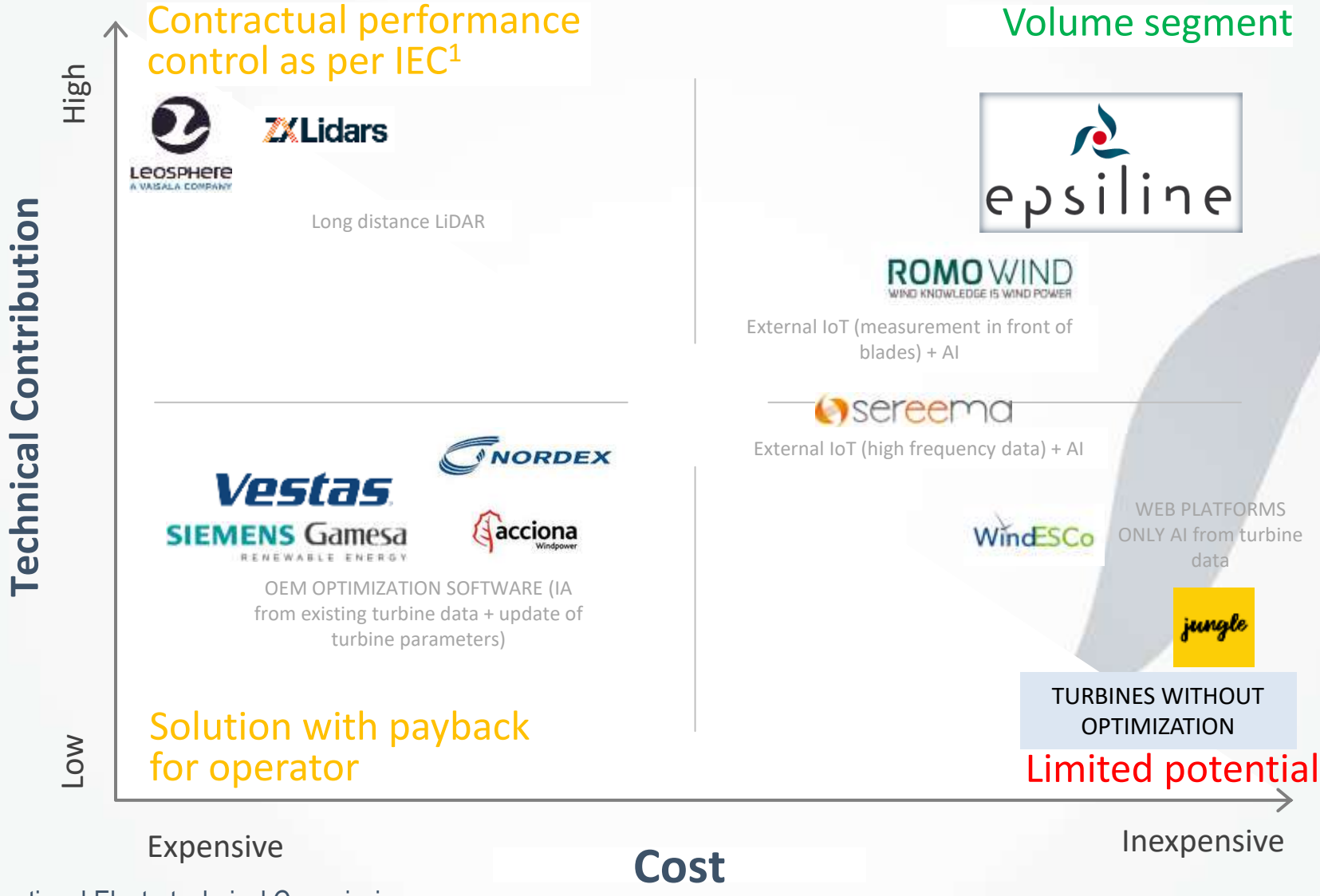
Commercial Initiative (2022-2024)

- Active Support of Thibault Desclee for GE (Europe Offshore) & Enercon
- Hire OEM Senior Sales for Europe (initial focus SGRE & Enercon)

2022-2025 Goals

- 2022 field trials with Enercon & GE
- 2023 : WindEagle as an option / add-on in these OEMs' services catalogues

Competitive Position



[1] International Electrotechnical Commission norms

Competition - Details

	Epsiline	RomoWind	Sereema/WindEsco	Jungle	Vestas/SGRE
Technology	Short range Lidar+ PTU+ accélerometer	Sonic Anemometer +PTU	Sonic Anemometer + Vibrations	SCADA based Saas	OEM Optimization software
Yaw misalignment (precision)	☑☑☑	☑☑☑	☑ measures behind the blades, same than nacelle sensors	☑ (IA with unprecised data)	☑ (IA with unprecised data & update of turbine parameters)
Power Curve	☑☑☑	☑☑☑	☑ measures behind the blades, same than nacelle sensors	☑ Same issues than nacelle sensors	☑ (nacelle anemometers)
Turbulence	☑	☑	☒	☒	☒
Pitch	☑	☒	☑	☒	☒
Wake steering	R & D	☒	R & D	☒	☒
Installation	Nacelle roof (1H), customers can install themselves	Installation in the hub, specialized teams	Nacelle roof, customers can install themselves	N/A Software update	N/A Software update
Possibility to move the sensors	☑	☒	☑	N/A Software update	N/A Software update
Diagnostics reports (dashboard)	One-clic SaaS (under development)	Diagnostic, option with fee for raw data	One-clic SaaS	One-clic SaaS	Data & diagnostics not sent
Public price (€) + annual subscription	Sales : 9K-13K € + 600-900 €/an (export)	9K € – 12K € + 600 €/year	Lease model 3.200 €/year/sensor for 20 units	2.000 € + 400€/turbine/year	25.000 €/turbine
5 years total (€) for 6 WT	78 000 €	78 000 €	96 000 €	14 000 €	150.000 €

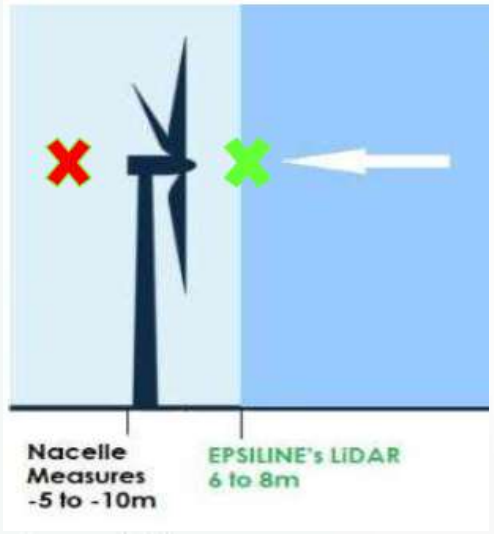
Competition vs. SEREEMA – 1/2

Epsiline : reliable measurement in front of the blades

The wind turbines are controlled by sonic anemometers located behind the blades. The measurements are disturbed by the turbulence generated by these blades and are by nature erroneous, despite sophisticated software to correct them.

Sereema solution provides a partial and imprecise response because it uses the same technology (sonic anemometers) located behind the blades, simply with a higher measurement frequency than turbine anemometers.

The only reliable solution is to measure in front of the blades: the EPSILINE LiDAR allows this thanks to its remote measurement



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Competition vs. SEREEMA – 2/2

Epsiline : Yaw and Rotor Imbalance diagnostics more precise

	SEREEMA	EPSILINE
Technological Key benefits		
Independent data from OEM	YES	YES
Static yaw correction	Unprecise No direct measure	Precise
Yaw reactivity	YES	YES
True North Detection	YES	YES
Aerodynamic rotor imbalance (Pitch)	Overestimated	Precise
Mass Rotor Imbalance	YES	YES
Turbulence	NO	YES
Solution		
Easy installation	YES	YES
Business model	All-inclusive subscription	IoT sales + web subscription or all-inclusive subscription
Dashboard At-a-glance tracking	YES	YES
Double-check after corrections	YES	YES
Gain estimation	Automatic	Manual / automation in progress
Monitoring	Automatic	Manual / automation in progress

Competition vs. WINDESCO – 1/2

Epsiline : reliable measurement in front of the blades

Data from the wind turbines (sonic anemometers which measure behind the blades) are unprecise and do not allow optimal control of the wind turbine.

WindEsco offers tools based mainly on wind turbine data, which results in great imprecision in the detections and in the modeling of the wake effect

The only reliable solution for measuring turbulence and thus accurately modeling the wake effect and measuring in front of the blades : the EPSILINE LiDAR allows this thanks to its remote measurement

Competition vs. WINDESCO – 2/2

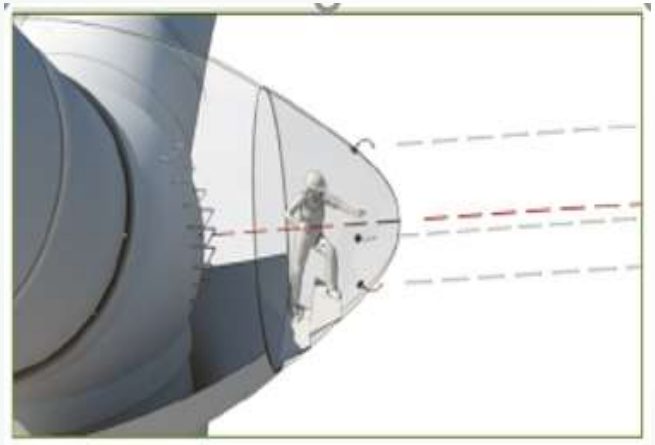
Epsiline : Yaw and Turbulence Intensity measurements more precise

	WINDESCO SWARM	EPSILINE
Technological Key benefits		
Independent data from OEM	NO (SCADA)	YES
Static yaw correction	Unprecise No direct measure	Precise
Yaw reactivity	NO	YES
True North Detection	NO	YES
Aerodynamic rotor imbalance (Pitch)	Overestimated	Precise
Mass Rotor Imbalance	NO	YES
Turbulence	NO	YES
Solution		
Easy installation	YES	YES
Business model	All-inclusive subscription	IoT sales + web subscription or all-inclusive subscription
Wake steering	Pilot project with an IoT accelerometer (new - nov21)	R&D
Dashboard At-a-glance tracking	YES	YES
Double-check after corrections	YES	YES
Gain estimation	Automatic	Manual / automation in progress
Monitoring	Automatic	Manual / automation in progress

Competition vs. RomoWind – 1/2

Epsiline : easy installation possible by the customer

The only reliable solution is to measure in front of the blades: but the solution must be easy to install



The solution provided by RomoWind measures in front of the blades, where it is most precise like WindEagle

but the installation requires entering the hub or "nose" of the wind turbine with teams who have unusual authorizations (therefore very limited number of teams).

In addition, the angle between the three parts of this instrument must be achieved with great precision, otherwise the measurement is totally disturbed. This severely limits the ability of the customer to install this solution: the owner-operator of the wind farm must call on RomoWind to come and install the solution.

The WindEagle is easy to install: the customer can do it himself thanks to an installation video

epsiline

Competition vs. RomoWind – 2/2

Epsiline : easy installation possible by the customer

	RomoWind (nabla wind hub)	EPSILINE
Technological Key benefits		
Independent data from OEM	YES	YES
Static yaw correction	YES	YES
Yaw reactivity	YES	YES
True North Detection	YES	YES
Aerodynamic rotor imbalance (Pitch)	NO	YES
Mass Rotor Imbalance	NO	YES
Turbulence Intensity	YES	YES
Bats detection	Detection through weather conditions, unprecise	R&D for curtailment optimization
Ergonomie de la solution		
Easy installation	NO	YES
Business model	IoT sales + web subscription	IoT sales + web subscription or all-inclusive subscription
Dashboard At-a-glance tracking	YES	YES
Double-check after corrections	YES	YES
Gain estimation	Automatic	Manual / automation in progress
Monitoring	Automatic	Manual / automation in progress

Competition vs. Software from OEMs

Epsiline : easy installation possible by the customer

The wind turbine is not producing at the maximum

Wind turbines are supplied by the turbine manufacturers with anemometers which do not allow precise measurement (measurement behind the blades)

Optimization software are offered by the turbine manufacturer himself -> conflict of interest

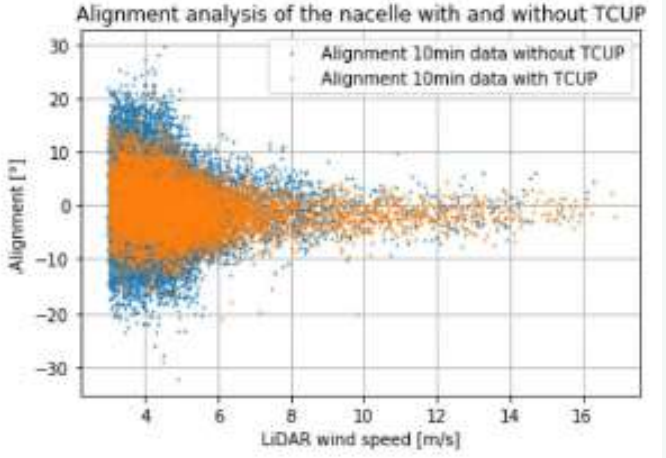
In addition, the software is a "black box", the owner-operator does not know exactly what is optimized.

Finally, it is not possible to measure the gain precisely with SCADA data from the wind turbine

WindEagle allows PRECISE and INDEPENDENT measurement

Example : characterization of the Siemens-Gamesa TCUP software by EPSILINE

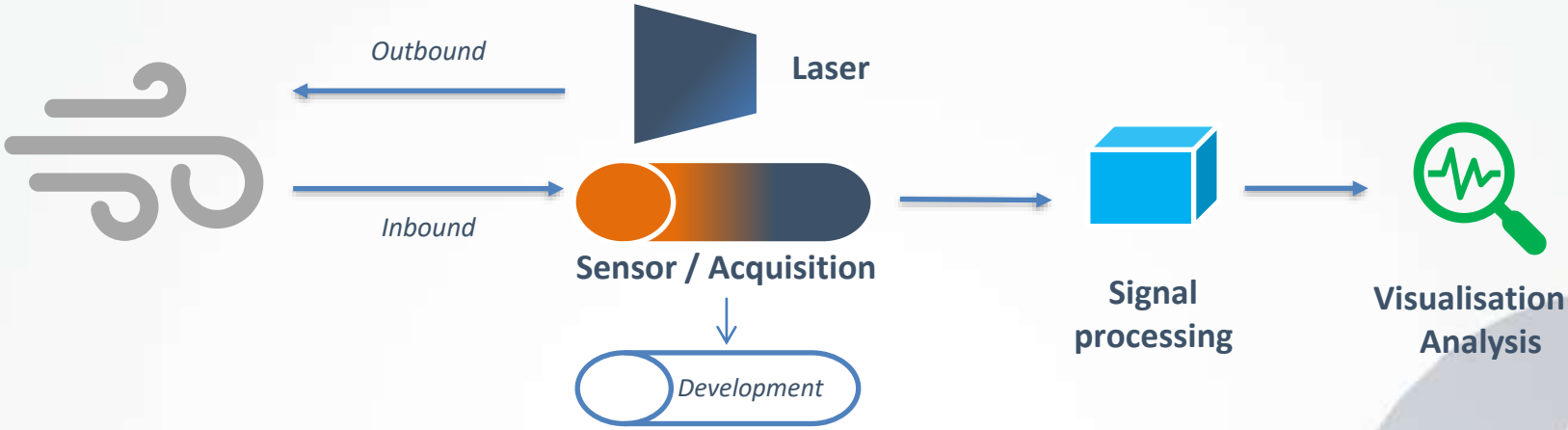
In this study, the operator has to use the WindEagle solution to assess the gain of this software provided by the turbine manufacturer



epsiline

Intellectual Property

Concept impossible for our competitors to replicate



Equipment/Material

- Precise measurement ahead of blades enabled by proprietary laser technology
  - ⇒ Other projecting LiDAR technologies much more expensive
- External installation which improves autonomy and minimises incremental installation costs

Services/Data

- Sensor « all-in-one » : Algorithms developed to automatically combine multiple data sources for diagnostics on the overall operaring behaviour of the turbine
- Web portal: Availability of data visualisation portal to minimise operator IT costs

Patented (100%)
Patented (50:50 with CNRS)
Trade secrets
Network effects / switching costs

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