



Expion360 Issues Stockholder Letter and Provides Corporate Update

Feb 06, 2024

REDMOND, Ore., Feb. 06, 2024 (GLOBE NEWSWIRE) -- [Expion360 Inc.](#) (Nasdaq: XPON) ("Expion360" or the "Company"), an industry leader in lithium-ion battery power storage solutions, today issued a letter to its stockholders from Brian Schaffner, Chief Executive Officer.



Expion360 CEO Brian Schaffner

Dear Stockholders,

2023 was a year of diversification and expansion for Expion360, underscored by exciting new products, market categories and technology innovation. Sales for our product offerings were driven by expanded distribution partnerships and OEM market penetration. Throughout the year, our focus was on developing new products, including our new home energy storage systems (ESS), which launched in late 2023, and several new products we plan to launch in 2024. We have evolved to capture a leading position in the premium lithium iron phosphate ("LiFePO₄") batteries and accessories market by offering products for recreational vehicles, marine applications, light electric vehicles ("LEV"), and residential and commercial energy storage systems.



AURA Powercap 600W Inverter (left) and E360 All in One Home ESS (Energy Storage System) (right)

Innovative New Products & Accessories Drive Growth

We continued to build upon our growing customer base by attracting new customers with the introduction of new products, expanding our reach into high-growth industry verticals. For example, in January 2023 we expanded our product portfolio with the introduction of our AURA POWERCAP battery accessory, which can transform Expion360 lithium-ion batteries into a portable 600-watt portable powerpack. We believe the AURA POWERCAP is a great value-add to our existing line of state-of-the-art lithium-ion batteries, expanding our batteries' usefulness as a mobile power source. We also launched e360 SmartTalk™, an innovative mobile app that enables the seamless integration and wireless management of e360 Bluetooth-enabled LiFePO₄ batteries. We advanced our industry leadership and strengthened our competitive position with the introduction of our new 12 Volt 450 Ah e360 SmartTalk™ LiFePQ battery, which utilizes breakthrough cell technology to increase energy density by up to 32% versus traditional 3.4 Ah 26650 cells.

We entered new markets in 2023 with the introduction of new battery solutions for LEV and new home energy systems. Our exclusive e360 SmartTalk™ battery was our first foray into both the smart battery market and LEV market, a 48 Volt GC2 LiFePQ battery engineered for LEVs, combining intelligent wireless mobile management capabilities and outstanding capacity with superior construction and durability. In late 2023, we entered the home energy storage market with the introduction of two premium LiFePO₄ battery storage systems, which enable residential and small business customers to create their own stable micro-energy grid and lessen the impact of increasing power fluctuations and outages. As a result of increasing power interruptions, brownouts and outages in many parts of the U.S., there is a demand for a solution that can help homeowners maintain their safety, security and comfort during these periods. Our goal is to help homeowners purchase and have professionally installed, our home energy storage systems by providing education on both the practical benefits and the many programs and incentives, including incentives available through California's Self-Generation Incentive Program and federal tax credits available through the Inflation Reduction Act for home battery systems. In addition, our energy storage systems program with Renewable Energy Products Manufacturing Corp. (REPM) is an important first step in introducing our new and innovative solutions for the renewable energy space. This year, we aim to deliver home energy storage systems with leading-edge technology and further our mission of creating a sustainable future, and we expect that the first installations of our home energy storage systems will begin in the second half of 2024.

Strong Partnerships & Marketing Expand Market Opportunity

New partnerships, agreements with OEM strategic suppliers, and expanded sales and distribution partnerships further broadened our market opportunities in new and existing verticals last year. During 2023, we became a strategic supplier of high-energy lithium-ion batteries and power system components for Cube Series' new ultra-lightweight, hard-sided foldable camper, designed for light duty trucks. In addition, Chinook RV, a top name in the RV industry and a recognized leader in quality and innovation, chose us as a strategic supplier of lithium-ion batteries for its off-grid power systems. Our sales and distribution partnership with Meyer Distributing, a leading national marketer and distributor of automotive and RV specialty products, was expanded to now include more than 90 warehousing facilities across the U.S. and Canada that service thousands of customers and hundreds of dealers. As we begin 2024, Expion360 lithium-ion batteries are available through more than 300 dealers, wholesalers, private-label customers and OEMs nationwide.

Throughout the year, we garnered interest in our LiFePO₄ battery lineup at some of the largest conferences and events in North America, introducing thousands of attendees to the benefits of our products and accessories. At the RV Dealer Open House in Elkhart, Indiana, the world's largest RV dealer show, demonstrations of our E360 batteries were given at a number of OEM customer booths, including Chinook RV and Imperial Outdoors. Our products were also featured on the award-winning automotive television program, Motorhead Garage, which was broadcast across the U.S. and Canada.

Operational & Financial Improvements Fuel 2024 Strategy

We made operational improvements to support our continued growth, including the expansion of our sales team with the hiring of two additional sales representatives, including a dedicated sales representative for the new LEV vertical. In addition, we strengthened our corporate governance with the appointment of tech industry veteran, innovator and business leader, Tien Q. Nguyen, to our board of directors, who brings more than 30 years of entrepreneurial and senior-level experience driving innovation in electrical technology, including product financing, engineering, development, and commercialization.

In December 2023, we received financing commitments of up to \$22.5 million through a senior unsecured convertible promissory note in an original principal amount of \$2.75 million to 3i, LP, and an equity line of credit with Tumim Stone Capital, LLC ("Tumim") under which we will have the right, but not the obligation, to issue and sell to Tumim up to \$20.0 million in shares of common stock from time to time. These financings provide additional operating liquidity and financial flexibility which includes IP and product development, and our newly launched home energy storage systems. During the year, we were also privileged to join the Russell Microcap® Index, widely used by investment managers and institutional investors for index funds and as a benchmark for active investment strategies.

2024 Outlook

As we look ahead, we believe we are well-positioned for another exceptional year. Although we anticipate the current lower rate of sales in the broader RV market to continue in the short term, we expect to continue capturing market share in this segment. While we expect to report a year-over-year mid-teens percentage decline in 2023 revenue, our goal is to recapture growth through multiple initiatives and new products as the RV segment recovers. We increased R&D activity to focus on innovation and expansion of our product line. We will continue to work towards additional OEM

market penetration with new major partners, as well as growing demand from customers looking to achieve greater power density, better reliability and superior quality for their energy storage needs. We will continue to prioritize increasing consumer sales, as demonstrated by our Shopify e-commerce sales that increased 300% in 2023 over the prior year, and our busy schedule of trade shows that we plan to attend throughout the year.

In addition, we are highly focused on expanding into other verticals and channels, such as marine, overland and light electric vehicles, and introducing products for home energy and commercial applications. We expect golf cart battery sales to continue to progress with upward momentum as more installers test and begin using our newly introduced 48v GC2 battery design. We anticipate strong growth from the launch of our energy storage systems and partnership with REPM and other similar solar companies, based on these new initiatives and our growing pipeline, and expect to see an acceleration of our sales from new and existing product lines commencing in the first half of 2024 as our product innovations, partnerships and sales gain more traction.

Lastly, we began the year by engaging with international investor relations specialists MZ Group (MZ) to lead a comprehensive strategic investor relations and financial communications program across all key markets to proactively communicate our technological advancements and growing customer base, including new major OEM partners and consumer sales, that are positioning Expion360 to be a global leader in lithium-ion energy storage solutions across multiple verticals. To schedule a conference call with management or receive our press releases and company updates by email, please make your request to XPON@mzgroup.us or call Chris Tyson at 949-491-8235.

Thank you to our stockholders, partners, and team for their support on our journey. We look forward to providing future updates on our business and hope you will join our fourth quarter and full year 2023 financial results conference call that we plan to host in March 2024.

Sincerely,

Brian Schaffner
Chief Executive Officer

About Expion360

Expion360 is an industry leader in premium lithium iron phosphate (LiFePO₄) batteries and accessories for recreational vehicles and marine applications, with residential and industrial applications under development. On December 19, 2023, the Company announced its entrance into the home energy storage market with the introduction of two premium LiFePO₄ battery storage systems that enable residential and small business customers to create their own stable micro-energy grid and lessen the impact of increasing power fluctuations and outages. [Please find the press release here.](#)

The Company's lithium-ion batteries feature half the weight of standard lead-acid batteries while delivering three times the power and ten times the number of charging cycles. Expion360 batteries also feature better construction and reliability compared to other lithium-ion batteries on the market due to their superior design and quality materials. Specially reinforced, fiberglass-infused, premium ABS and solid mechanical connections help provide top performance and safety. With Expion360 batteries, adventurers can enjoy the most beautiful and remote places on Earth even longer.

The Company is headquartered in Redmond, Oregon. Expion360 lithium-ion batteries are available today through more than 300 dealers, wholesalers, private-label customers, and OEMs across the country. To learn more about the Company, visit expion360.com.

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Forward-Looking Statements and Safe Harbor Notice

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements are subject to considerable risks and uncertainties. The Company intends such forward-looking statements to be covered by the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this press release, including statements about our beliefs and expectations, are "forward-looking statements" and should be evaluated as such. Examples of such forward-looking statements include statements that use forward-looking words such as "projected," "expect," "possibility," "believe," "aim," "goal," "plan," and "anticipate," or similar expressions. Forward-looking statements included in this press release include, but are not limited to, statements relating to the Company's product features and capabilities, expectations regarding the scale, demand and benefits for the Company's products, including the ability to attract new customers and enter into new markets, the Company's product development strategy and product distribution, trends in the Company's markets and the continuation of such trends, and future growth in the Company's business and products, as well as the Company's ability to drive such growth, including the Company's growth strategy, expansion plans, and opportunities. Forward-looking statements are subject to and involve risks, uncertainties, and assumptions that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements predicted, assumed or implied by such forward-looking statements.

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Photos accompanying this announcement are available at

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Source: Expion360

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