

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): March 28, 2024

Expion360 Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

001-41347
(Commission
File Number)

81-2701049
(I.R.S. Employer
Identification No.)

2025 SW Deerhound Avenue
Redmond, OR
(Address of principal executive offices)

97756
(Zip Code)

(541) 797-6714
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	XPON	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On March 28, 2024, Expion360 Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2023. A copy of the press release is furnished hereto as Exhibit 99.1 and incorporated herein by reference.

The Company plans to hold a conference call regarding its financial results. The conference call will be accompanied by the presentation deck (the “Presentation”) furnished hereto as Exhibit 99.2 and incorporated herein by reference. A copy of the Presentation is also available on the Company’s investor relations website located at *investors.expion360.com*. The information included on the Company’s website is not incorporated by reference into this Current Report on Form 8-K (this “Current Report”), or into any other Company filing with the Securities and Exchange Commission unless otherwise expressly indicated.

The information provided in Item 2.02 of this Current Report, including Exhibit 99.1 and Exhibit 99.2 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. Such information shall not be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as otherwise expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated March 28, 2024
99.2	Presentation of Expion360 Inc.
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXPION360 INC.

Date: March 28, 2024

By: /s/ Brian Schaffner
Name: Brian Schaffner
Title: Chief Executive Officer

EXPION360

Expion360 Reports Fourth Quarter and Full Year 2023 Financial Results

Innovative New Products & Customization Form Factors with Leading RV OEMs Expected to Position Company for Increased Market Share & Revenue Growth in 2024

Fortified Balance Sheet Enables Company to Expand Revenue Profile with Newly Launched Home Energy Storage Systems (ESS)

2024 Anticipated Milestones Include: New Strategic Partnerships, OEM Expansion and Disruptive Product Launches Across Multiple Market Segments

REDMOND, OR -- March 28, 2024 -- Expion360 Inc. (Nasdaq: XPON) (“Expion360” or the “Company”), an industry leader in lithium-ion battery power storage solutions, today reported its financial and operational results for the fourth quarter and full year ended December 31, 2023.

Fourth Quarter & Subsequent 2024 Financial & Operational Highlights

- Q4 Revenues totaled \$0.9 million, compared to \$1.4 million in the prior year period.
- Q4 Net loss totaled \$2.2 million compared to a loss of \$1.5 million in the prior year period as the Company continued to invest in new product development and launches.
- Entered the home energy storage market with the introduction of two premium lithium iron phosphate (“LiFePO4”) battery storage solutions 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.
- Launched next generation GC2 and Group 27 series LiFePO4 batteries designed for use in a variety of applications, including recreational vehicles (“RV”), overland vehicles, van builds, marine vessels, and off-grid systems.
- Achieved UL 1973 compliance for 450Ah EX1 batteries, reaffirming commitment to safety and innovation in the rapidly growing lithium battery industry.
- Chief Business Development Officer, Co-Founder, and former Chief Executive Officer, John Yozamp, retired.
- Received financing commitments of up to \$22.5 million from 3i, LP and Tumim Stone Capital, LLC, providing additional operating liquidity and financial flexibility to support IP & product development, and newly launched home energy storage solutions.

Management Commentary

“The fourth quarter and full year 2023 was highlighted by continued momentum for our existing product line, new product development and launches, and additional operating liquidity,” said Brian Schaffner, Chief Executive Officer of Expion360. “We continued to leverage our superior capacity and flexibility to lead acid competitors with a strong focus on safety, quality, service and innovation for our more than 300 resellers across the U.S. consisting of dealers, wholesalers, private-label customers and original equipment manufacturers (“OEMs”) who then sell our products to end consumers.”

“Fourth quarter sales continued to be impacted by the battery business for RVs and the lower sales of such vehicles industry wide. We anticipate additional orders and new OEM partnerships as the RV market recovers given our marketing initiatives and expanding product line. Our newest vertical for light electric vehicles (“LEVs”) continued to progress with upward momentum as more installers test and begin using our newly introduced 48v GC2 battery design. For the full year 2023, the level of orders was significantly less than we originally anticipated and to offset this we have focused on, and continue to focus on, other verticals and channels such as marine, overland and light electric vehicles, and introducing products for home energy and commercial applications.

“In the fourth quarter we continued to innovate and expand our product line, launching our next generation of popular GC2 and Group 27 Series LiFePO4 batteries for RVs, overland vehicles, van builds, marine vessels, and off-grid systems. Updates include seamless connectivity and integration with RV systems, along with the unmatched power and performance of our complete battery lineup. Recently, we achieved UL 1973 compliance for our EX1 SmartTalk Bluetooth batteries, underscoring our commitment to safety with our batteries meeting the safety standards required by our customers for energy storage systems.

“During the fourth quarter we announced the development of the e360 Home Energy Storage System (“ESS”) that we expect to significantly change the industry in barrier price, flexibility, and integration. These two LiFePO4 battery storage solutions will enable residential and small business customers to create their own stable micro-energy grid and lessen the impact of increasing power fluctuations and outages. We expect to begin taking orders for the new home energy storage solutions in the second quarter of 2024 with shipments beginning in the second half of 2024.

“Operationally, we entered into a securities purchase agreement with 3i, LP, under which we issued a senior unsecured convertible promissory note in the principal amount of \$2.75 million to 3i. We also entered into a common stock purchase agreement establishing an equity line of credit with Tumim Stone Capital, LLC, 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 us with additional operating liquidity and stronger financial flexibility to support our product development and growth trajectory.

“Looking ahead in 2024, we are highly focused on new partnerships, OEM strategic supply agreements, and expanded sales and distribution partnerships that we believe will further broaden our market opportunities in new and existing verticals. We are growing our portfolio from RVs and marine applications to LEVs and home energy applications. We are working on engaging additional OEM partners as we prepare for the launch of our new products. We believe with our strong reputation in the lithium battery space and exciting new products, we can build our sales and distribution channels to bring value to our stockholders in the years ahead,” concluded Mr. Schaffner.

Q4 2023 Financial Summary

Revenue in the fourth quarter of 2023 totaled \$0.9 million, down 40% from \$1.4 million in the prior year period. The decrease was primarily due to decreases in the consumer market.

Gross profit totaled \$205,000 or 23.9% of revenue as compared to \$317,000 or 22.3% of revenue in the prior year period. The increase in gross profit as a percentage of revenue was due to a decrease in our cost of goods sold.

Selling, general and administrative expenses increased to \$2.4 million compared to \$1.8 million in the prior year period. The increase was primarily due to increases of \$423,000 in salary and benefits, \$56,000 in legal and professional fees, and \$88,000 in sales and marketing expenses.

Net loss totaled \$2.2 million, increasing from a net loss of \$1.5 million in the same year-ago period. The increase in net loss was primarily the increases in stock-based compensation, legal fees, and sales and marketing expenses.

Full Year 2023 Financial Summary

For the year ended December 31, 2023, revenue totaled \$6.0 million, decreasing 16.5% from \$7.2 million in the prior year. The decrease was primarily attributable to decreases in the consumer market, driving decreases in OEM sales.

Gross profit for 2023 totaled \$1.6 million or 26.3% of revenue, as compared to \$2.3 million or 31.9% of revenue in the same year-ago period. The decrease in gross profit as a percentage of revenue was primarily attributable to lower sales volumes due to the slowdown in the RV industry.

Selling, general and administrative expenses increased to \$8.7 million compared to \$8.2 million in the same year-ago period. The increase was primarily due to an increase in legal and professional fees, offset by a significant decrease in expenses for salaries and benefits.

Net loss for the year ended December 31, 2023, totaled \$7.5 million or \$(1.08) per share, and net loss of \$7.5 million or \$(1.23) per share in the prior year.

Cash and cash equivalents totaled \$3.9 million at December 31, 2023, compared to \$7.2 million at December 31, 2022. As previously announced, we received financing commitments of up to \$22.5 million from 3i, LP and Tumim Stone Capital, LLC, providing additional operating liquidity and financial flexibility to support IP & product development, and newly launched home energy storage solutions.

Fourth Quarter & Full Year 2023 Results Conference Call

Brian Schaffner, Chief Executive Officer, Greg Aydelott, Chief Financial Officer, and Paul Shoun, Co-Founder, President and Chief Operating Officer, of Expion360 will host the conference call, followed by a question-and-answer period. The conference call will be accompanied by a presentation, which can be viewed during the webcast or accessed via the investor relations section of the Company's website here.

To access the call, please use the following information:

Date:	Thursday March 28, 2024
Time:	4:30 p.m. Eastern Time (1:30 p.m. Pacific Time)
Dial-in:	1-877-407-9039
International Dial-in:	1-201-689-8470
Conference Code:	13744988
Webcast:	https://viaid.webcasts.com/starthere.jsp?ei=1660821&tp_key=193722ecf7

A telephone replay will be available commencing approximately three hours after the call and will remain available through April 11, 2024, by dialing 1-844-512-2921 from the U.S., or 1-412-317-6671 from international locations, and entering replay pin number: 13744988. The replay can also be viewed through the webcast link above and the presentation utilized during the call will be available via the investor relations section of the Company's website here.

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 expectations about the Company's operations, future development plans, growth prospects, product pipeline and development, anticipated timing of commercial availability of its products, beliefs about market size and opportunity, including customer base, and market conditions. 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.

Company Contact:

Brian Schaffner, CEO
541-797-6714
Email Contact

External Investor Relations:

Chris Tyson, Executive Vice President
MZ Group - MZ North America
949-491-8235
XPON@mzgroup.us
www.mzgroup.us

Expion360 Inc.
Balance Sheets

	As of December 31, 2023	As of December 31, 2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,932,698	\$ 7,201,244
Accounts receivable, net	154,935	298,035
Inventory	3,825,390	4,530,136
Prepaid/in-transit inventory	163,948	141,611
Prepaid expenses and other current assets	189,418	171,791
Total current assets	<u>8,266,389</u>	<u>12,342,817</u>
Property and equipment	1,348,326	1,394,619
Accumulated depreciation	(430,295)	(250,861)
Property and equipment, net	<u>918,031</u>	<u>1,143,758</u>
Other Assets		
Operating leases – right-of-use asset	2,662,015	3,148,455
Deposits	58,896	63,901
Total other assets	<u>2,720,911</u>	<u>3,212,356</u>
Total assets	<u>\$ 11,905,331</u>	<u>\$ 16,698,931</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 286,985	\$ 230,250
Customer deposits	17,423	58
Accrued expenses and other current liabilities	292,515	306,164
Convertible note	2,082,856	—
Current portion of operating lease liability	522,764	465,055
Current portion of stockholder promissory notes	762,500	500,000
Current portion of long-term debt	50,839	71,426
Total current liabilities	<u>4,015,882</u>	<u>1,572,953</u>
Long-term debt, net of current portion and discount	298,442	439,049
Operating lease liability, net of current portion	2,241,325	2,754,964
Stockholder promissory notes, net of current portion	—	325,000
Total liabilities	<u>\$ 6,555,649</u>	<u>\$ 5,091,966</u>
Stockholders' equity		
Preferred stock, par value \$.001; 20,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, par value \$.001; 200,000,000 shares authorized; 6,922,912 and 6,802,464 issued and outstanding as of December 31, 2023 and 2022, respectively	6,923	6,802
Additional paid-in capital	26,438,524	25,239,654
Accumulated deficit	(21,095,765)	(13,639,491)
Total stockholders' equity	<u>5,349,682</u>	<u>11,606,965</u>
Total liabilities and stockholders' equity	<u>\$ 11,905,331</u>	<u>\$ 16,698,931</u>

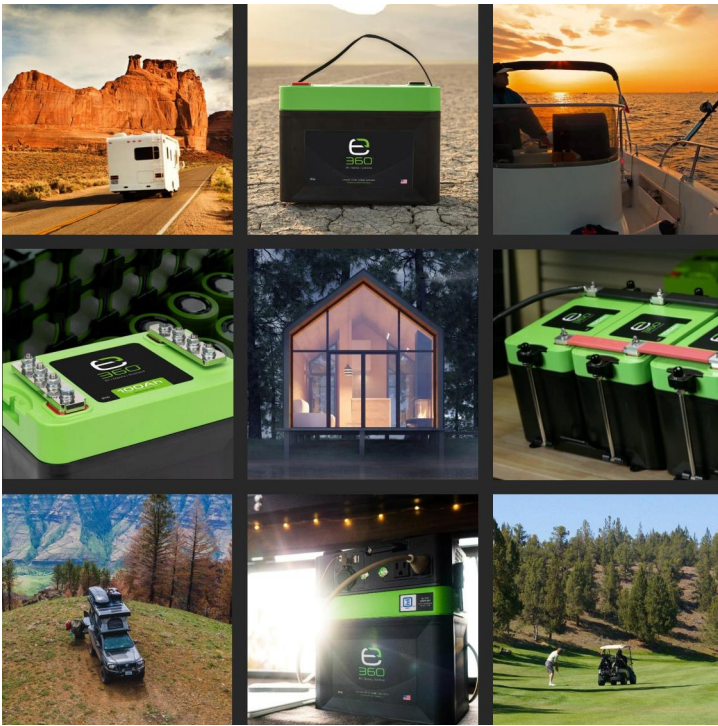
Expion360 Inc.
Statements of Operations

	For the Years Ended December 31,	
	2023	2022
Sales, net	\$ 5,981,134	\$ 7,162,837
Cost of sales	4,405,611	4,874,392
Gross profit	1,575,523	2,288,445
Selling, general and administrative	8,745,135	8,241,859
Loss from operations	(7,169,612)	(5,953,414)
Other (Income) / Expense		
Interest income	(125,854)	(239)
Interest expense	124,511	1,605,916
(Gain) / Loss on sale of property and equipment	3,426	(13,312)
Settlement expense	281,680	—
Other income	(394)	(389)
Total other (income) / expense	283,369	1,591,976
Loss before taxes	(7,452,981)	(7,545,390)
Tax (income) / expense	3,293	(8,850)
Net loss	<u>\$ (7,456,274)</u>	<u>\$ (7,536,540)</u>
Net loss per share (basic and diluted)	<u>\$ (1.08)</u>	<u>\$ (1.23)</u>
Weighted-average number of common shares outstanding	6,887,985	6,135,938

Expion360 Inc.
Statements of Cash Flows

	For the Years Ended December 31,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (7,456,274)	\$ (7,536,540)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	205,723	164,767
Amortization of debt discount (sale of future revenues)	—	295
Amortization of debt discount - notes	—	1,196,843
(Gain) / Loss on sale of property and equipment	3,426	(13,312)
Increase / (Decrease) in allowance for doubtful accounts	(18,804)	18,804
Stock-based settlement	251,680	
Stock-based compensation	560,365	2,114,529
Changes in operating assets and liabilities:		
Decrease in accounts receivable	161,904	458,322
(Increase) / Decrease in inventory	704,746	(2,478,256)
(Increase) / Decrease in prepaid/in-transit inventory	(22,338)	939,614
(Increase) in prepaid expenses and other current assets	(17,626)	(100,088)
Decrease in deposits	5,005	—
Increase / (Decrease) in accounts payable	56,735	(3,792)
Increase / (Decrease) in customer deposits	17,365	(436,590)
Increase / (Decrease) in accrued expenses and other current liabilities	(13,649)	165,546
Increase in right-of-use assets and lease liabilities	30,510	41,286
Net cash used in operating activities	(5,531,232)	(5,468,572)
Cash flows from investing activities		
Purchases of property and equipment	(20,170)	(567,370)
Net proceeds from sale of property and equipment	36,748	51,678
Net cash provided by / (used in) investing activities	16,578	(515,692)
Cash flows from financing activities		
Proceeds from / (payments on) line of credit and short-term revolving loans	—	(550,000)
Convertible note	2,420,025	—
Principal payments on long-term debt	(161,194)	(1,798,420)
Principal payments on stockholder promissory notes	(62,500)	—
Payments on liability for sale of future revenues	—	(11,797)
Proceeds from exercise of warrants	49,800	—
Settlement of fractional shares of cashless warrant exercise	(23)	—
Net proceeds from issuance of common stock	—	14,772,487
Net cash provided by financing activities	2,246,108	12,412,270
Net change in cash and cash equivalents	(3,268,546)	6,428,006
Cash and cash equivalents, beginning	7,201,244	773,238
Cash and cash equivalents, ending	3,932,698	7,201,244

Supplemental disclosure of cash flow information:	For the Years Ended December 31,	
	2023	2022
Cash paid for interest	\$ 121,894	\$ 435,152
Cash paid for franchise taxes	\$ 1,853	\$ 300
Non-cash financing activities:		
Acquisition/modification of operating lease right-of-use asset and lease liability	\$ (13,993)	\$ 2,348,509
Purchases of property and equipment in exchange for long-term debt	\$ —	\$ 181,430
Purchases of property and equipment in exchange for short-term payable	\$ —	\$ 170,863
Settlement of RSUs with common stock	\$ 12	\$ —
Issuance of common stock in exchange for short-term loan costs	\$ (337,169)	\$ —



EXPION360.

*Industry Leader in
Lithium Battery Power Solutions*

*Fourth Quarter and Fiscal Year
2023 Financial Results
Conference Call*

NASDAQ: XPON
Corporate Presentation

March 28, 2024

Important Cautions & Disclaimers

Certain statements contained in this presentation (this "Presentation") are 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. Expion360, Inc. (the "Company") intends such statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements other than statements of historical fact, including statements regarding the Company's beliefs, plans and expectations about the Company's operations, future development plans, growth prospects, product pipeline and development, anticipated timing of commercial launches, beliefs about market size and opportunity, including customer base, market conditions, and factors beyond the Company's control or and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company and its affiliates expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Presentation.

Certain information contained in this Presentation relates to, or is based on, studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, all of the market data included in this presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while the Company believes its own estimates and research are reliable, such estimates and research have not been verified by any independent source.

This Presentation is not intended for any commercial purpose but strictly for educational or informational purposes only. Please note that some photographs and images appearing in this presentation are not necessarily those of the Company or accurate representations of its products or operations, but may be stock images, third-party operations, product mock-ups, and/or may have been edited for competitive or confidentiality reasons. All third-party images are used for non-commercial, illustrative and educational 'fair use' purposes only. All images and trademarks remain the property of their respective owners.



Agenda

- Introduction and Corporate Overview
- 2023 & Subsequent Highlights
- Strategic Positioning in Premium Markets
- e360 Home Energy
- Superior Technology, Aesthetics, Design, Materials & Construction
- Ongoing Initiatives
- Go-to-Market Channels
- Financial Results
- Closing Summary
- Q&A



Brian Schaffner

CEO

- 30+ years of executive experience in a variety of capacities including CEO, CFO, CIO and controller.
- Former CEO of Capital Physical & Hand Therapy, a multi-site healthcare organization.
- Previously served as operations controller of senior care provider with \$550M in annual revenues & \$2B in assets.

Greg Aydelott

CFO



- 20+ years of experience in financial management and operations, including accounting, budgeting, business development and strategic planning, M&A, regulatory compliance, facility construction and customer relations.
- Served as senior financial analyst for a network of hospitals, clinics and health services with system-wide annual revenues of \$1.5 billion.
- Former director of business operations at a senior care provider with annual revenues of over \$20 million.

Paul Shoun

Co-Founder, President & COO



- 30+ years experience in project management, product development, engineering leadership, business accounting, ERP/CRM system management and product marketing.
- Founded and led Shounco Design Studios, an engineering consulting firm focused on scalability and manufacturability of products through automation and process improvement.

Corporate Overview



Expion360 is an industry leader of premium lithium iron phosphate (LiFePO₄) batteries and accessories for recreational vehicles and marine applications, now entering the Light Electric Vehicle (LEV), home energy storage and industrial markets.

- Experts in design and integration of battery power components and finished products
- Lithium battery advantages to lead acid including superior economies, size, capacity, durability and life span, combined with rapid solar adoption, are driving a generational transition for energy storage
- Leveraging established experience in RV and Marine to enter larger LEV, home energy storage & industrial markets
- Strategic battery supplier for RV OEMs with multiple channels and points of distribution
- Differentiated patented and proprietary technology creates strong defensible position
- Experienced management team and board across engineering, technology and finance

2023 and Subsequent Highlights








- February 2023: Custom 360Ah battery passed UL 1973 certification. We also achieved UL 1973 compliance for our 450Ah EX1 batteries in March 2024.
- June 2023: Unveiled e360 SmartTalk, an innovative mobile app that allows seamless integration and management of e360 Bluetooth-enabled LiFePO4 batteries.
- August 2023: Strengthened corporate governance with the appointment of tech industry veteran, innovator and business leader, Tien Nguyen, to the board of directors.
- September 2023: Introduced a new 4.5 Ah 26650 lithium iron phosphate battery cell, which will allow an increase in energy density by over 32% compared to traditional 3.4 Ah 26650 cells.
- December 2023: Announced our entry into the home energy storage market with our introduction of two premium LiFePO4 battery storage solutions: a wall mounted all-in-one inverter and 10kW battery, and an expandable server rack style battery cabinet system.
- December 2023: Strengthened balance sheet following financing commitments of up to \$22.5M from 3i, LP and Tumim Stone Capital, LLC.

Battery Portfolio Evolution

Strategic Positioning in Established & Future Premium Markets



LiFePO4 Batteries Power:

Recreational Vehicle & Overland Systems and appliances, replacing noisy generators for off grid power and charged by engine or solar	Boating & Marine Trolling motors and operating cabin electronics	Light Electric Vehicle (LEV) Golf carts with sufficient power and reliability	Home Energy Storage New home and commercial solar power storage solutions	Industrial Applications Additional capacities for electric forklift and industrial material handling
				 <small>Example potential application (not actual)</small>

Established

Future

Across all 5 Market Segments we have 11 Patents Pending



Future Market Expansion

e360 Home Energy

- Expion360 plans to begin taking orders for the new energy solutions in the second quarter of 2024
- Shipments expected to commence in the second half of 2024
- High margin solution provides scalability & versatility
- Recurring revenue opportunity
- Target Market
 - Home and small commercial solar users and installers who want a high performance, modular, easy to install and use battery back-up capacity solution
- Market Channels
 - Solar installers
 - Electrical contractors, retailers and wholesalers
 - Big box stores and franchise hardware retailers
 - Builders in premium home and small commercial market space
 - Energy services providers



Concept mockup/artistic rendering (not actual).



Technology Advantages

- **Overall:** compact, high-capacity and significant reliability
- **Lithium-Iron Phosphate Chemistry:** recognized as among the safest battery chemistries
- **2-3 times faster charging:** enables users to rapidly charge to capacity compared to lead acid batteries
- **Higher Energy Density:** provides 50% more usable energy compared to lead acid batteries
- **50% lighter** than lead acid batteries
- **Innovative mobile app** enables seamless integration to wirelessly monitor performance and view analytics
- **User-Centric:** flexible & modular; designed for ease of placement and integration
- **Extended Lifespan:** ~12+ years; 3K-5K charging cycles. 10x more life cycles than lead acid batteries



e360 12-volt 450 Ah battery features new proprietary anode/cathode design that increases energy density by >32% to reach 4.5 Ah vs. traditional 3.4 Ah 26650 cells while maintaining similar cost, weight, and size of traditional cells.



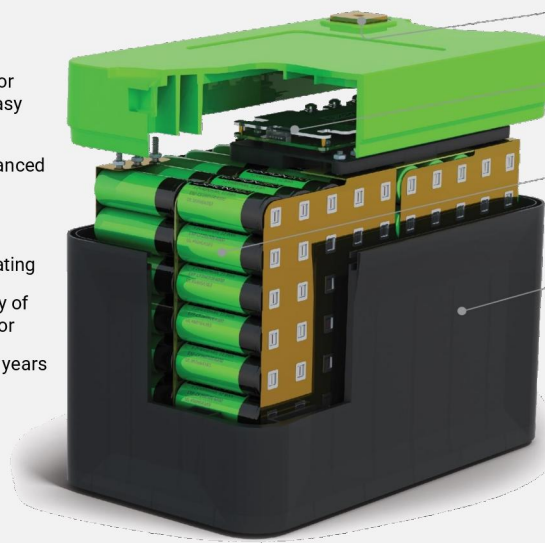
e360 SmartTalk allows you to Wirelessly monitor performance and view analytics on virtually any Bluetooth-enabled mobile device.



Why Customers Choose E360

Superior Aesthetics, Design, Materials & Construction

- Rugged Design: IP66-rated enclosures for protection in variety of environments. Easy placement and integration.
- Fiber Glass Infused ABS Plastic for Enhanced Strength
- UL-94 V0 FIRE RATED
- IP66 Dust & Water Ingress Protection Rating
- E360 (12V/360Ah) has 3.5x the Capacity of Average RV Battery & Unique Form Factor
- Long Warranties: Industry-Best up to 12 years



QUALITY CONNECTIONS

- Oversized brass terminal pads.
- Plainly and permanently marked polarity.

HIGH-PERFORMANCE BATTERY MANAGEMENT SYSTEM

- Under or overvoltage shutdown.
- Under or overtemperature shutdown.
- Short circuit protection.
- Auto-reset.

SAFE BATTERY CONSTRUCTION

- Top-quality cells welded to thick solid-copper distribution plate.
- All terminals are epoxy sealed.
- TEI listed battery (UL 1973).
- UL recognized cells (UL 1642) - file No. MH64383

RUGGED CASE

- UL 94 V-0 rated fiberglass-infused ABS case.
- Engineered insulation.
- Custom, no-slip, tie-down points.
- Round corners add strength & absorb shock.
- Rubber feet prevent sliding & reduce vibration.

Product Line for Use Across Markets



12V Group 24

60Ah, 80Ah, 95Ah



**12V Group 27
LiFePO4**

100Ah, 120Ah



**12V Group 27
SmartTalk™ & VHC™**

100Ah, 132Ah



**12V GC2
SmartTalk™ & VHC™**

144Ah, 162Ah



**48V GC2
SmartTalk™**

36Ah



12V EX1

368Ah



12V EX1 SmartTalk™

368Ah, 450Ah



**12V EX2 Edge SmartTalk™
& VHC™**

204Ah, 240Ah



**48V EX2 Edge SmartTalk™
& VHC™**

51Ah, 60Ah



**AURA Powercap 600W
Inverter Bundle**

60Ah, 80Ah, 95Ah

Plus: Power Bundles, Mounting Kits, Adapter Cables, Inverters, Battery Monitor Kits, Chargers & Thermal Jackets



Go-to-Market Channels



Dealer Direct

- Sell directly to dealers who offer Expion360 products to their customers
- 300+ dealers & growing



Distributors

- Our distributors provide us access to thousands of retail store locations nationwide
- Elevates brand awareness and opens the door to new applications



OEM

- Offers customers a scalable integrated power system solutions for their products
- Highly scalable & reduced time-to-market



Private Label

- Our standardized products sold under client's existing brand
- Enables turnkey, fast time-to-market, and rapid brand expansion
- Scale compatibility

Expanding Reseller Network: **300+** Nationwide and Growing



Our Proprietary Products & Manufacturing Capabilities are at the Foundation of Our Go-to-Market Strategy





Fourth Quarter 2023 Financial Highlights

Three Months Ended December 31

\$ in millions	2023	2022
Revenue	\$ 0.9	\$ 1.4
Gross profit	\$ 0.2	\$ 0.3
Gross margin (%)	23.9%	22.3%
Selling, general & administrative expenses	\$ 2.4	\$ 1.8
Net loss	\$ 2.2	\$ 1.5



Fiscal Year 2023 Financial Highlights

	Twelve Months Ended December 31	
\$ in millions	2023	2022
Revenue	\$ 6.0	\$ 7.2
Gross profit	\$ 1.6	\$ 2.3
Gross margin (%)	26.3%	31.9%
Selling, general & administrative expenses	\$ 8.7	\$ 8.2
Net loss	\$ 7.5	\$ 7.5
Cash and cash equivalents	\$ 3.9	\$ 7.2

December 2023: Strengthened balance sheet following financing commitments of up to \$22.5M from 3i, LP and Tumim Stone Capital, LLC.



Closing Summary

- **We are confident about our growth trajectory for 2024**
- **2023 RV shipments down 36.5%**¹, Expion360 revenue down only 16.5% on increased market share
- **Expanded our addressable market with launch of Home Energy Storage Solutions** for Micro-Energy Grid and Shipments expected to commence in the second half of 2024
- **We believe that our markets are shifting to custom solutions built to spec. We believe our focus on this combined with our continued sales of industry standard products should combine for a very good year in 2024 and beyond.**
- **We strive to share timely, impactful sales and product updates** on a regular basis and expect to continue making such announcements
- **Discussions with OEMs** increased in 2023 versus 2022
- **Industry leader** in premium lithium battery power storage solutions with expert design and integration of battery power components and finished products
- **Selected as strategic supplier** by multiple RV OEMs
- **Continuing to add features, improve energy density and develop unique OEM-centric form factors**
- **Strengthened balance sheet** following financing commitments of up to \$22.5M from 3i, LP and Tumim Stone Capital, LLC

1. [RV News Monthly Wholesale RV Units Shipments to Dealerships](#)

Q&A



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