



21st Annual Needham Growth Conference

January 16, 2019

Statements made during this presentation that are “**forward-looking statements**” are based on current expectations and assumptions that are subject to risks and uncertainties and are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and contingencies include, but are not limited to, the following:

- ▶ Our intentions, beliefs and expectations regarding our expenses, cost savings, sales, operations and future financial performance;
- ▶ Our operating results;
- ▶ Our ability to manage cash flows to enable the business to continue as a going concern;
- ▶ Our ability to develop, introduce and commercialize new products, technologies applications or enhancements to existing products and educate prospective customers;
- ▶ Anticipated growth and trends in our business;
- ▶ Our ability to successfully complete one or more financings;
- ▶ Our ability to otherwise obtain sufficient capital to meet our operating requirements, including, but not limited to, our investment requirements for new technology and products, or other needs;
- ▶ Our ability to manage our long-term debt and our ability to service our debt, including our convertible debt;
- ▶ Risks related to changes in, and uncertainty with respect to, legislation, regulation and governmental policy;
- ▶ Risks related to tax laws and tax changes (including U.S. and foreign taxes on foreign subsidiaries);
- ▶ Risks related to our international operations;
- ▶ Our expectations regarding our revenues, customers and distributors;
- ▶ Our beliefs and expectations regarding our market penetration and expansion efforts, especially considering the small number of vertical markets and a small number of geographic regions;
- ▶ Our expectations regarding the benefits and integration of recently-acquired businesses and our ability to make future acquisitions and successfully integrate any such future-acquired businesses;
- ▶ Our ability to protect our intellectual property rights and to defend claims against us;
- ▶ Dependence upon third party manufacturing and other service providers, many of which are located outside the U.S. and our ability to manage reliance upon certain key suppliers;
- ▶ Our anticipated trends and challenges in the markets in which we operate; and
- ▶ Our expectations and beliefs regarding and the impact of investigations, claims and litigation.

Non-GAAP Financial Information

- ▶ Management also uses certain non-GAAP financial measures in this presentation which constitute “non-GAAP financial measures” as defined by the Securities and Exchange Commission. Management uses these non-GAAP financial measures to enable it to further and more consistently analyze the period-to-period financial performance of its core business operations. Management believes that providing investors with these non-GAAP measures gives them additional information to enable them to assess, in the same way management assesses, the Company's current and future continuing operations. These non-GAAP measures are not in accordance with, or an alternative for, GAAP, and may be different from non-GAAP measures used by other companies. These non-GAAP measures are in addition to, and not a substitute for or superior to, measures prepared in accordance with GAAP. Reconciliations of the non-GAAP financial measures to the comparable GAAP financial measures are included in the Pro forma Financial Statements slides in this presentation.



For further information regarding risks and uncertainties associated with Maxwell's business, please refer to the “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of our SEC filings, including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q. The Company undertakes no duty to update any forward-looking statement to reflect actual results or changes in the Company's expectations.

Maxwell Technologies – At a Glance

Business Highlights

Overview

- Founded 1965; IPO 1983 (NASDAQ: MXWL)
- Headquarters: San Diego, CA
- Locations: USA, China, Germany, South Korea
- Employees: ~380

Products & Markets

Energy Storage



Automotive • Grid • Rail • Wind

Dry Battery Electrode

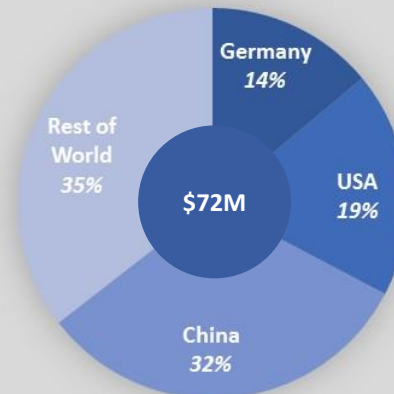


Lithium-Ion Battery

Pro Forma Financial Highlights

- 2018 Revenue through 9/30/2018: \$72M
- 9/30/2018 Cash Balance: \$69M

Pro Forma Geographic Revenue*



*2018 revenue through 9/30/18 excluding High Voltage - external customers in ROW do not individually comprise more than 13% of total

High Voltage Divestiture: A Strategic Transformation

Maxwell becomes a ***Pure-Play*** Energy Storage Technology Company to take Full Advantage of 3 Mega-Trends



Renewable Power Generation in the Grid



Electrification of Combustion Engine Vehicles



Rapid Growth of Battery Electric Vehicles



Acceleration of R&D Efforts to Bring Disruptive Technologies to Markets with Enormous Growth Potential

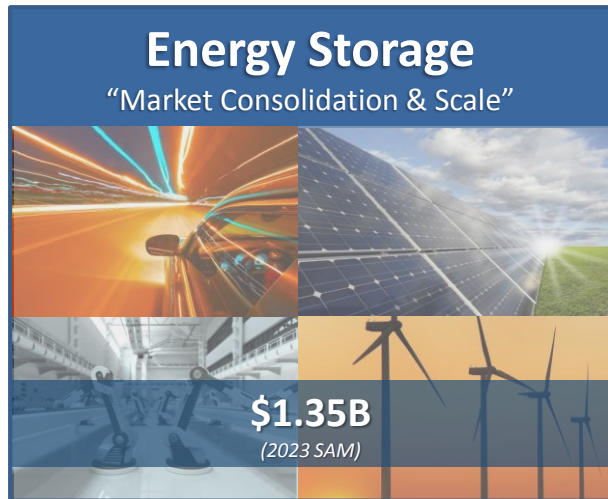
Overview of Deal Terms

- High Voltage product line sold to Renaissance Investment Foundation on December 19, 2018
- \$55 million Purchase Price plus \$15 million 2-year earn-out
- \$48 million Net Cash Received Upfront
- \$69 million Proforma 9/30/18 Cash Balance

Figures Rounded to Nearest Million \$ at then current exchange rates

Provides Maxwell with Sufficient Capital to Fund “Pure-Play” Growth Strategy & Advance Innovation

Our Business Today: “Pure Play” Technology Platform in Growth Markets



**Sustainable Growth in
Auto, Grid, Rail and Wind**



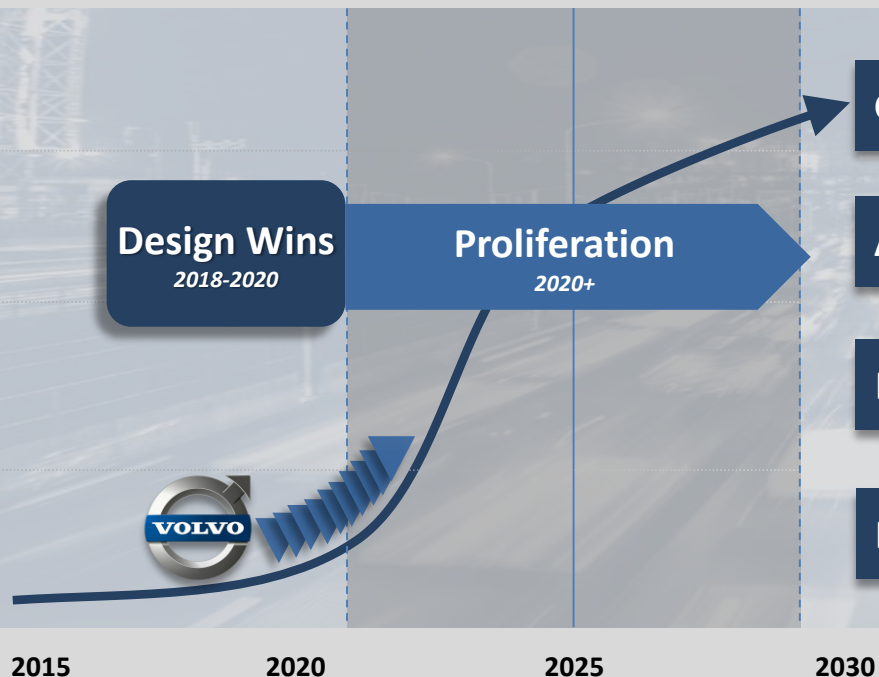
**Unprecedented Long-Term
Growth Opportunity**

Source: Maxwell Market Research, Navigant Research, Customer Feedback, CNEAI production data

Energy Storage Target Markets Projected to Grow at 20% CAGR – Reaching \$1.35B by 2023
Dry Battery Electrode Represents Significant Growth Opportunity to Enhance Shareholder Value

Automotive Focus: Maxwell's Single Largest Growth Market

Design Win Momentum



Geely / Volvo Design Win Validation, >\$100M

Auto Platform for Ease of Proliferation

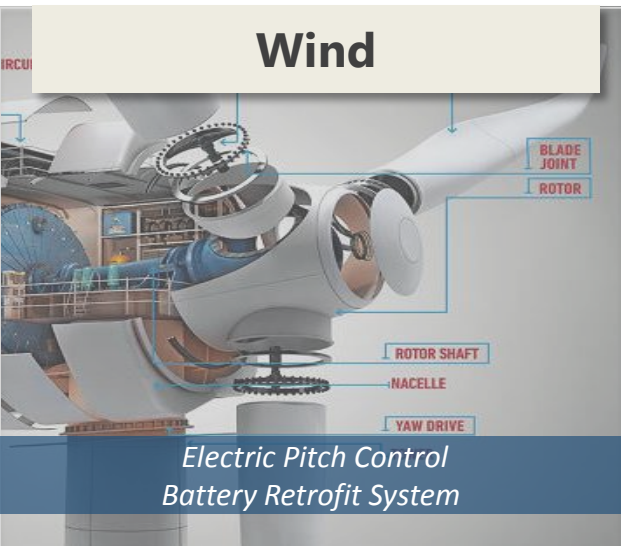
Rapidly Expanding Opportunity Pipeline, ~\$1B

Multiple, Large-Scale Design Wins on Horizon

Gaining Momentum with Significant Long-Term Growth Opportunities to Drive Value

Energy Storage Focus Markets

Wind



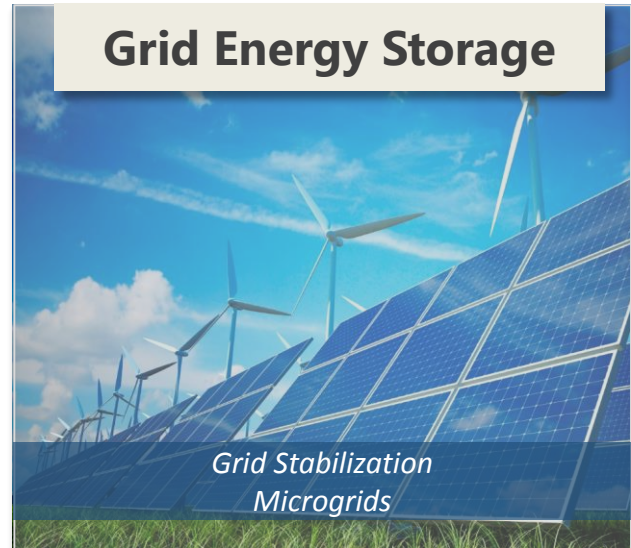
- Battery Retrofit Solution Launched 2018
- 20,000 Targeted Retrofit Turbines in US

Rail



- CRRC-SRI Mass Production Ramp 1H 2019
- China to add >1000 Trams from 2019 to 2020

Grid Energy Storage



- Grid Energy Storage System Launched 2018
- Global Opportunity Pipeline Tripled

Targeted Investments & New Technologies Unlocking New Phase of Growth in Target Markets

Rapid Growth of Battery Electric Vehicles:

Global Megatrend Driving Transformation of Automotive & Battery Industries



15M – 30M Electric Vehicles Forecasted by 2030

Forecast represents 12x growth from 2017 – 21% CAGR



1350 GWh Lithium-Ion Battery Capacity by 2030

Equivalent to more than 25 new giga factories



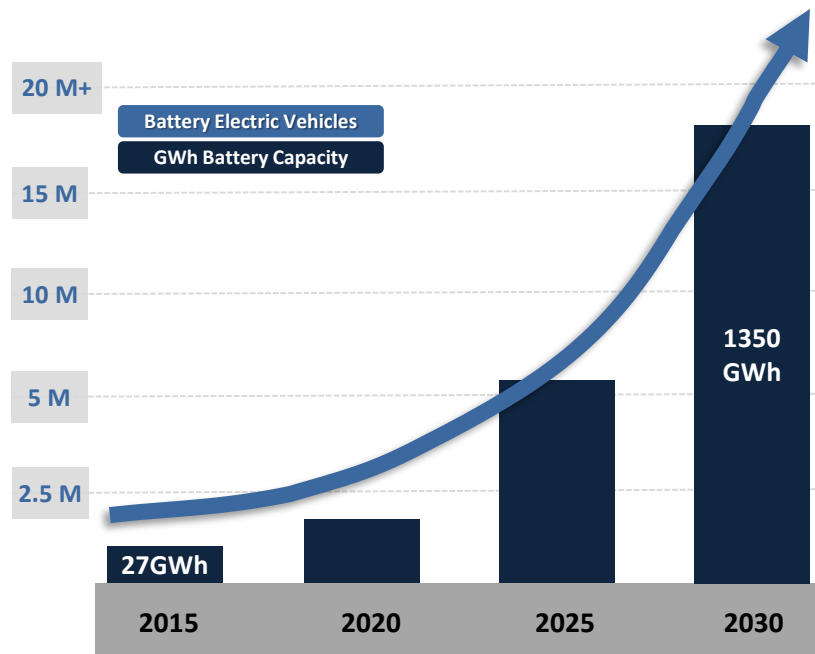
Lithium-Ion Battery Energy Density Must Double

Required for EV Range Extension & Cost Reduction



Lithium-Ion Battery Energy Cost Must Halve

Production Costs & Extended Battery Life

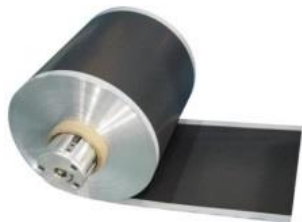


Sources: Forecast range derived from Maxwell Market Research, Navigant Research and 3rd party Automotive OEM forecasts

Patented Breakthrough Dry Battery Electrode Technology to Capitalize on Coming Megatrend

Dry Battery Electrode: Completing Major Performance Milestones

Transformational Battery Technology Enabling Electric Vehicle Megatrend



Energy Density:

>300 Wh/kg Demonstrated with Path to >500Wh/kg identified

Extended Battery Life:

Improved Durability; Extending Battery Life up to 2x

Cost Reduction:

16x Production Capacity Density Increase;
10-20%+ Cost Reduction versus State-of-the-Art Wet Electrodes

Technology Enablement & Environmentally Responsible:

No Solvents, Next Gen Materials, Cobalt-Free, Solid State

High Likelihood of Strategic Partnership(s) Within Six Months

Our Focus is Clear – Now its About Execution

Optimized Portfolio with Laser Focus on Dry Battery Electrode & Energy Storage Future

Energy Storage



**Vital Large Scale Opportunities
in Automotive, Grid, Rail & Wind**

Dry Battery Electrode



Commercial Partnerships

Innovative Portfolio



**Multiple Inflection Points on
Horizon**

Balance Sheet



**Capitalized to Unlock Value of
Technology Platform**

Executing to Leverage Momentum & Exploring All Avenues to Deliver Growth & Shareholder Value



Maxwell[®]
TECHNOLOGIES
Enabling Energy's Future[™]

Thank You

Pro Forma Financial Statements (Unaudited)

STATEMENT OF OPERATIONS

(in Thousands)

	As Reported	Total Adjustments	Pro Forma GAAP	Non-GAAP Adjustments	Pro Forma Non-GAAP
	Nine Months Ended 9/30/2018		Nine Months Ended 9/30/2018		Nine Months Ended 9/30/2018
Revenue	\$ 91,607	19,365	\$ 72,242		\$ 72,242
Cost of revenue	74,128	10,326	63,802	(1,151)	62,651
Gross profit	17,479	9,039	8,440	1,151	9,591
GM%	19.1%		11.7%		13.3%
Operating expenses:					
Selling, general and administrative	28,411	5,228	23,183	(5,665)	17,518
Research and development	16,680	1,642	15,038	(1,063)	13,975
Restructuring and exit costs	(26)	-	(26)	26	-
Total operating expenses	45,065	6,870	38,195	(6,702)	31,493
Loss from operations	(27,586)	2,169	(29,755)	7,853	(21,902)
Interest expense (income), net	3,275	(10)	3,285	(1,230)	2,055
Other components of defined benefit plans, net	(649)	(732)	83	-	83
Other (income) expense	(7)	22	(29)	-	(29)
Foreign currency exchange loss (gain), net	383	47	336	-	336
Income (loss) before income taxes	(30,588)	2,842	(33,430)	9,083	(24,347)
Income tax provision (benefit)	(358)	(727)	369		369
Net income (loss)	\$ (30,230)	\$ 3,569	\$ (33,799)	\$ 9,083	\$ (24,716)
Earnings Per Share	\$ (0.77)		\$ (0.86)		\$ (0.63)
Weighted average common shares outstanding, Basic & Diluted	39,381		39,381		39,381

Pro Forma Financial Statements (Unaudited)

Adjusted EBITDA Reconciliation

(in Thousands)

	As Reported	Adjustments	Pro Forma
	Nine Months Ended 9/30/2018		Nine Months Ended 9/30/2018
GAAP net loss	\$ (30,230)	3,569	\$ (33,799)
Interest expense, net	3,275	(10)	3,285
Income tax provision (benefit)	(358)	(727)	369
Depreciation	6,040	1,056	4,984
Amortization of intangible assets	935	-	935
EBITDA	(20,338)	3,888	(24,226)
Foreign currency exchange loss, net	383	47	336
Other (income) expense	(7)	22	(29)
Stock-based compensation expense	7,365	484	6,881
Restructuring and related costs	(26)	-	(26)
SEC and FCPA legal and settlement costs	64	-	64
Adjusted EBITDA	\$ (12,559)	4,441	\$ (17,000)

Pro Forma Financial Statements (Unaudited)

BALANCE SHEET

(in Thousands)

ASSETS

Current assets:

	As Reported 9/30/2018	Total Adjustments	Pro Forma 9/30/2018
Cash and cash equivalents	\$ 23,561	(45,228)	\$ 68,789
Trade and other accounts receivable, net	30,022	8,664	\$ 21,358
Inventories	39,621	11,399	\$ 28,222
Prepaid expenses and other current assets	4,119	171	\$ 3,948
Total current assets	97,323	(24,994)	122,317
Property and equipment, net	31,308	7,932	\$ 23,376
Intangible assets, net	10,344	-	\$ 10,344
Goodwill	35,464	21,235	\$ 14,229
Pension asset	11,949	11,949	\$ —
Other non-current assets	730	-	\$ 730
Total assets	\$ 187,118	16,122	\$ 170,996

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 18,870	3,459	\$ 15,411
Accrued employee compensation	7,244	422	\$ 6,822
Deferred revenue and customer deposits	4,101	55	\$ 4,046
Short-term borrowings and current portion of long-term debt	34	34	\$ —
Total current liabilities	30,249	3,970	26,279
Deferred tax liability, long-term	7,831	7,726	\$ 105
Long-term debt, excluding current portion	36,454	56	\$ 36,398
Defined benefit plan liability	4,109	-	\$ 4,109
Other long-term liabilities	2,356	31	\$ 2,325
Total liabilities	80,999	11,783	69,216
Stockholders' equity:			
Common stock	4,584	-	\$ 4,584
Additional paid-in capital	368,044	284	\$ 367,760
Accumulated deficit	(277,185)	(6,316)	\$ (270,869)
Accumulated other comprehensive income	10,676	10,371	\$ 305
Total stockholders' equity	106,119	4,339	101,780
Total liabilities and stockholders' equity	\$ 187,118	16,122	\$ 170,996