21st Annual Needham Growth Conference

January 16, 2019
Safe Harbor

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 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***

- USA: 35%
- China: 32%
- Germany: 14%
- Rest of World: 35%

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

Provides Maxwell with Sufficient Capital to Fund “Pure-Play” Growth Strategy & Advance Innovation
Our Business Today: “Pure Play” Technology Platform in Growth Markets

Energy Storage
“Market Consolidation & Scale”

$1.35B
(2023 SAM)

Sustainable Growth in Auto, Grid, Rail and Wind

Dry Battery Electrode
“Leverage Technology & Partnerships”

$ Multi-Billion
(2023 SAM)

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

Electric Pitch Control
Battery Retrofit System

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

Onboard Rail
Wayside Rail

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

Grid Stabilization
Microgrids

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

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

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

- Energy Storage
- Dry Battery Electrode
- Innovative Portfolio
- Balance Sheet

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

Commercial Partnerships

Multiple Inflection Points on Horizon

Capitalized to Unlock Value of Technology Platform
Thank You
# Pro Forma Financial Statements (Unaudited)

**STATEMENT OF OPERATIONS**

(in Thousands)

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

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

**BALANCE SHEET**

<table>
<thead>
<tr>
<th>(in Thousands)</th>
<th>9/30/2018</th>
<th>Total Adjustments</th>
<th>9/30/2018</th>
<th>Pro Forma</th>
</tr>
</thead>
</table>

**ASSETS**

- **Current assets:**
  - 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
- **Intangible assets, net:** 10,344
- **Goodwill:** 35,464
- **Pension asset:** 11,949
- **Other non-current assets:** 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
- **Other long-term liabilities:** 2,356 31 $2,325

  **Total liabilities:** 80,999 11,783 69,216

- **Stockholders’ equity:**
  - Common stock: 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