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ZAF Energy Systems Raises \$22 Million From Key Strategic Investors

ZAF raises funds to accelerate the commercialization of nickel-zinc battery in the data storage, industrial equipment, transportation, healthcare and defense markets

JOPLIN, Mo. – April 28, 2020 – ZAF Energy Systems Inc. (ZAF), a developer of next-generation battery technologies, announced today that it has completed recent capital raise. Included in the \$22 million Series A funding round were investments from institutional and strategic investors including Élevage Capital Management, Catalus Capital, Holt Ventures, and Coventry Asset Management. ZAF will use the funds to accelerate the commercialization and adoption of its nickel-zinc (NiZn) battery technology and expand its manufacturing capacity.

The company will use the investment to meet the growing customer demands of its NiZn technology in key markets like the large-scale data storage, telecommunications, healthcare, and commercial trucking industries that are in need of powerful, cost-effective, and environmentally friendly battery solutions. ZAF is also currently working with three segments of the US Department of the Defense on energy storage solutions that where the NiZn batteries provide significant performance enhancements over current solutions. Funding will further enable ZAF to accelerate licensing and joint venture negotiations and to commercialize NiZn batteries with both domestic and international strategic partners.

Demand for ZAF's NiZn technology as a replacement for lead-acid batteries in key market segments continues to grow. ZAF's NiZn chemistry can reduce the footprint of lead acid data center UPS systems by 40% and because NiZn lasts over twice as long as lead acid, it will reduce the number of batteries consumed by up to 75%. ZAF's NiZn battery also yields twice the energy density of lead-acid batteries at less than a quarter of the cost, making them smaller, lighter and less expensive. ZAF's NiZn batteries use sustainable, abundantly available materials that are both fully recyclable and non-toxic to the environment in disposal situations, providing long-life and economical solutions for many applications.

Gen Fukunaga, CEO of Coventry Asset Management and the founder and former CEO of Funimation Entertainment which brought anime to the US and Canadian entertainment markets remarked, "I look for innovative products that match with industry-changing trends. My belief is that ZAF's environmentally friendly batteries are going to change the way the industry looks at cost effective energy storage. For far



too long energy storage has been the “Achilles Heel” of the energy industry. I am excited to be a part of this ground-breaking technology.”

Meg Paulus, Partner at Holt Ventures, commented, “We at Holt Ventures focus on investments that have the potential to disrupt the current way of doing things within the heavy equipment landscape, including at our own Caterpillar dealership. We constantly look for ways that our businesses can be more environmentally friendly and at the same time focus on profitability and efficiency. The nickel zinc battery not only out-performs the lead acid battery exponentially, it provides an eco-friendly alternative to an environmental problem experienced around the globe, while still providing vastly superior energy storage capacity for our future needs”

3CR-Riverbend Capital Advisors, Dallas, TX led the ZAF Series A Capital Raise. Randy Moore, President and CEO of ZAF said, “I want to thank all our investors and the folks at 3CR-Riverbend who really came through for us and have been a pleasure to work with. The addition of institutional and strategic funding, together with our recent contract awards, have provided sufficient funds to accomplish our objectives.”

About ZAF Energy Systems, Inc.

Incorporated in 2011 and with locations in Montana and Missouri, ZAF Energy Systems develops and commercializes next-generation battery technologies that use sustainable, nontoxic materials and can be safely and easily recycled. Its breakthrough battery technologies include a portfolio of eco-friendly energy storage solutions including nickel zinc (NiZn) and a zinc air chemistry, both of which deliver the highest power and energy density of any battery system in their class. ZAF’s rechargeable batteries provide long-life and economical solutions in a safe package for a variety of applications, including electric vehicles, commercial trucking, renewables integration, back-up power, consumer electronics, mobility, recreation vehicles, and in aerospace and defense. For more information, visit: www.zafsys.com

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