ZERONOX

INNOVATION & **POWER** WITHOUT EMISSIONS

THE ZERONOX INVESTOR NEWSLETTER WINTER 2019 EDITION

THE ORDERS ARE POURING IN - MILLIONS IN NEW PRODUCT ORDERS

Our team continued to focus during the second half of 2019 to focus on educating all qualified public agencies in the San Joaquin Valley Air Pollution Control District boundaries about the Public Benefit Grant which is available to help purchase up to five ZeroNox-powered electric utility vehicles (the ION EC4 and/or the eTuatara). As a result, at the close of 2019 we had $4.85 million in pre-orders for 238 of our electric utility vehicles. We received our first approved application at the end of 2019, and we anticipate most - if not all - of these applications to be approved throughout 2020. Of the 238 vehicles pre-ordered, 175 of them are for the eTuatara and 63 are for the ION EC4. Thus, there is already much excitement for our new eTuatara vehicle, and we have been working hard to make this vehicle one that customers will love. (More on the eTuatara on the following page.)

The new year is already off to a great start with over $60K in orders from customers wanting to do battery upgrades for their forklifts and electric utility vehicles. We have also started to receive numerous approved applications for our customers to purchase their ION EC4 and eTuatara vehicles. As of January 30, 2020, we have been notified that over $800K in previously-submitted applications have now been approved and ready to fund, and we anticipate this amount to continue growing as more grant applications are approved this year.

FIRST eTUATARA VEHICLES ARRIVE ON U.S. SOIL

As mentioned above, we have already received numerous pre-orders for the eTuatara. We plan to showcase the eTuatara for the first time in public at the World Ag Expo this week in Tulare, California. We have attached a brochure of this vehicle to this Newsletter. Needless to say our team is very excited to finally bring this vehicle to market!

HEIGHT
6FT 9IN

WIDTH
5FT 1IN

LENGTH
10FT 8IN

BED W X L
5FT 1IN X 5FT 6IN

RANGE
100+ MILES

TOP SPEED
35MPH

PULL CAP.
3000LBS

LIFT CAP.
1200LBS

TOW CAP.
2200LBS

LOAD CAP.
2170LBS

www.zeronox.com • 559-560-8013 • info@zeronox.com • 525 Main St., Porterville, CA 93257

ZeroNox LFP Forklift Batteries Hit the Market

Customer Highlight: Upgrading Their Forklift Fleet With ZeroNox

During the latter half of 2019, we developed and began offering three different versions of our ZeroNox lithium iron phosphate forklift batteries to upgrade lead acid-powered forklifts. This includes the Standard, Pro and ProX versions. These different battery sizes allow customers the ability to make an economical LFP Battery choice, depending on their specific operational demands.

Our first customer to upgrade their forklift fleet with ZeroNox batteries is a large scale packing house and cold storage facility located in Southern California. They operate 30+ Toyota electric forklifts and currently run two 12-hour shifts seven days a week during their busy season. To keep their forklifts running they maintain a large lead acid battery warehouse to charge and install lead acid batteries. These lead acid batteries take 8 hours to fully charge and another 8 hours to cool down before they can be used in a forklift again. Needless to say, there is a lot of overhead, maintenance, and battery coordination tied up in this battery warehouse to ensure that each forklift has a fully charged battery when needed. In addition, each lead acid battery has a runtime of around 4 hours, so each forklift operator needs to swap their batteries twice, and sometimes 3 times, during a 12-hour shift. Each battery swap takes on average 30 minutes, which contributes to at least 1 hour of downtime per shift per forklift. Across their entire fleet this adds up to dozens of hours of downtime during a 12-hour shift.

ZERONOX LFP FORKLIFT BATTERIES HIT THE MARKET (CONTINUED...)

Enter the ZeroNox solution. We were able to build a ZeroNox ProX (54 kWh) lithium iron phosphate battery with a total run time of 11-12 hours on a full charge. We successfully installed five of these advanced batteries into this customer's Toyota forklifts in December, and to date the results have been phenomenal. The forklift drivers no longer need to stop to change batteries during their shift, which saves at least an hour of downtime each shift. This is an immense value to the company. In addition to the increased productivity and reduced downtime hours per shift, with our ZeroNox advanced battery technology the customer no longer needs to do daily battery maintenance in their warehouse dedicated for charging and maintaining batteries. As the customer continues to convert its fleet of electric forklifts to a fleet of forklifts powered by ZeroNox's advanced batteries, its battery warehouse will instead become the hub for quick-charging forklifts in between shifts and during breaks. Given the success of the first five ProX batteries for this customer, they have already placed another order for two more forklift upgrades. We anticipate our relationship with this customer to grow over the coming months and years as we continue to help them transform their electric forklift fleet.

This is just one great example of how we can help any electric forklift fleet be more productive and reduce downtime, and in 2020 our team at ZeroNox is dedicated to finding and helping other customers with electric forklift fleets that can benefit from upgrading their battery technology.

OTHER MATTERS

Lamborghini Update

As you are aware, Lamborghini has filed an opposition to our Ox logo trademark registration, claiming that it is confusingly similar to Lamborghini's trademarked Bull design. That opposition is still pending before the U.S. Patent and Trademark Office ("USPTO"). The parties have been attempting to negotiate a resolution to the dispute, although no resolution has yet been reached. In order to accommodate the parties' settlement negotiations, the timeline for a potential decision by the USPTO has been delayed to early 2021. Thus, we will continue to update you in future shareholder reports regarding the status of this pending dispute

CEO Year-In-Review

ZeroNox has seen tremendous growth and evolution over the past year, and it is exciting to see our efforts start to bear fruit in significant ways as we will soon cross the $1M mark in sales. We are very proud of the ZeroNox team that we have built, and we look forward to growing that team as our sales continue to climb.

We are also very grateful to all of our investors who have believed in the vision that gave rise to this enterprise. We are looking forward to continuing our current growth trajectory throughout 2020, in expanding the products and services we offer, and the locations we reach. If anyone is interested in helping to fund this ongoing expansion, then please contact us to discuss.

Come Join Us at the World Ag Expo!

We would like to invite you out to the World Ag Expo in Tulare to see ZeroNox (booth E22). We will have our ION EC4 and eTuatara electric vehicles on display, as well as our forklift battery technology. We are particularly excited to showcase the eTuatara for the first time to the public, which was specially designed for the farming community and is highly anticipated among prospective customers coming to see it at the Expo. So we look forward to seeing you at the World Ag Expo this week!

Follow This Link to Our World Ag Expo Booth

https://wae20.mapyourshow.com/7_0/exhibitor/exhibitor-details.cfm?ExhID=16888

eTUATARA

THE ALL-ELECTRIC, EXPEDITION VEHICLE

HEIGHT	LENGTH	WIDTH	BED W X L	RANGE	TOP SPEED	PULL CAP.	LIFT CAP.	TOW CAP.	LOAD CAP.
6FT 9IN	10FT 8IN	5FT 1IN	5FT 1IN X 5FT 6IN	100+ MILES	35MPH	3000LBS	1200LBS	2200LBS	2170LBS

We wanted a vehicle that could take us into the deepest reaches of the wilderness, endure the most unforgiving weather and terrain and return home fully loaded with stories and bounty from our excursion. The eTuatara is a purpose-built electric vehicle with steel construction and standard features that can't be found anywhere else. It also boasts a battery management system and drive train designed to outperform and outdistance an internal combustion engine.

100+ MILE RANGE

ADVANCED CONTROLS

STEEL CONSTRUCTION

HYDRAULIC LIFT DECK

SILENT AS THE NIGHT

ALL-WHEEL DRIVE

FRONT UTILITY WINCH

TOP & FRONT RACKS

POWERFUL ZERONOX® BATTERY SYSTEM

We guarantee its endurance, reliability and resilience for years to come.

- NO BATTERY MAINTENANCE, CLEANINGS, OR SERVICE.
- 3.5HR RAPID CHARGE & OPPORTUNITY CHARGING
- 40% MORE EFFICIENT THAN THE INDUSTRY STANDARD
- 4X THE LIFE SPAN COMPARED TO INDUSTRY BATTERIES
- 6 YEAR EXTENDED WARRANTY

www.etuatara.com • (877) 405-0777 • info@eTuatara.com • 525 Main St., Porterville, CA 93257

2020 | SPECS & PERFORMANCE

A WORK VEHICLE WITH A HEART FOR ADVENTURE

RANGE

Speed mph	Empty (1 Person)*	Fully Loaded*
10 mph	190miles	120miles
20 mph	100miles	60miles
30 mph	60miles	40miles

*Range estimates based on dry and flat road conditions with standard 8 kWh battery.

Double the range for the eTuatara Pro Version

MATERIAL

Construction: Steel

Tires: 26 x 11 - 12 CST (High Grip)

Suspension (Front): Independent Wishbone with Preload Adjustable

Suspension (Rear): Independent Double Wishbone with Preload Adjustable

Brakes: Dual Independent Hydraulic Disc Brakes

DIMENSIONS

Vehicle Weight (Empty): 2,380 lbs

Ground Clearance: 12″

Wheel Base: 97″

Overall Height: 6′ 9″

Overall Width: 5′ 1″

Overall Length: 10′ 8″

Bed Width X Length X Height: 5′ 1″ X 5′ 6″ X 11″

POWER & PERFORMANCE

Max Speed: 35 mph

Motor: 10kW / 72V

Max. Torque (N·m): 90

Battery Type: Zeronox Lithium Iron Phosphate

Charge Time (110V): 6+ HRS

Charge Time (220V): 3.5 HRS

Transmission: Automatic

Final Drive: Shaft drive, 2WD & 4WD selectable, differential lock front and rear individually selectable

CAPACITY

Seats with Seatbelts: 3 People

Hitch Capacity: 2,000 lbs

Winch Pulling Capacity: 3,000 lbs

Towing Capacity: 2,200 lbs

Gross Vehicle Weight Rating: 4,550 lbs

Total Load Capacity: 2,170 lbs

- **Cargo Bed:** 1,200 lbs
- **Front Rack:** 330 lbs
- **Roof Rack:** 110 lbs
- **Passengers:** 530 lbs

www.etuatara.com • (877) 405-0777 • info@eTuatara.com • 525 Main St., Porterville, CA 93257

NOTE: All specifications are with the normal manufacturing allowances and tolerances. Zeronox, Inc. reserves the right to alter specifications at any time without prior notice.

ZERONOX LITHIUM (LFP) FORKLIFT BATTERIES

The only forklift battery to align actual operation use to specific battery size!
A seemless drop-in for electric forklifts at the comparable price of lead acid.

STANDARD

10-20 kWh

The ***Standard*** ZeroNox Battery System is rated for 1 work shift operations.

PRO SERIES

25-35 kWh

The ZeroNox ***PRO SERIES*** Battery System is rated for 2 work shift operations.

PRO X SERIES

45-55 kWh

The ZeroNox ***PRO X SERIES*** Battery System is rated for 3 work shift operations.

ZERONOX FORKLIFT BATTERY SYSTEMS AVAILABLE FOR EVERY CLASS OF FORKLIFT

877-323-7888 • www.zeronox.com • sales@zeronox.com • 525 Main St., Porterville, CA 93257

POWERFUL ZERONOX BATTERY SYSTEM

- NO BATTERY MAINTENANCE
- RAPID 3.5 HR CHARGING
- 40% MORE EFFICIENT THAN THE INDUSTRY STANDARD
- CONVENIENT OPPORTUNITY CHARGING
- 100% RECYCLABLE BATTERIES
- UPGRADE TO TRIPLE SHIFT RUN TIMES
- 4X THE LIFE SPAN COMPARED TO INDUSTRY STANDARD
- 5 YR - 10 YR WARRANTY
- SIGNIFICANTLY LOWER MONTHLY OPERATING COSTS
- RESILIENT IN ALL CLIMATES CONDITIONS
- ADVANCED BATTERY MANAGEMENT SYSTEM
- 24/7 TECHNICAL SERVICE NUMBER

LET'S GET YOU STARTED

ZERONOX.COM
RESERVE YOUR PLACE

877-323-7888
24HR SERVICE LINE

POWER ONWARD