INDUSTRY OVERVIEW

The information and statistics set forth in this section and other chapters of this document have been extracted from Frost & Sullivan reports commissioned by us, as well as various official government publications and other publicly available publications. We have engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report for the ***[REDACTED]****. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the sole sponsor, the* ***[REDACTED]****, the* ***[REDACTED]*** *or any other party involved in the* ***[REDACTED]*** *and no representation is given as to its accuracy.*

OVERVIEW OF THE GLOBAL BESS INDUSTRY

Background of ESS, Energy Storage Full Lifecycle Solutions, and Definition of BESS

The global power system is undergoing market-oriented transformation driven by electrification and renewable energy. While the rapid growth of total installed power capacity and renewable energy supply promotes a cleaner energy structure, it also poses challenges to the stable operation and efficiency of the power grid due to the inherent intermittency and volatility of renewables. Traditional power system is hard to meet real-time load balancing requirements, leading to an urgent need for upgraded grid intelligence and flexible regulation capabilities. In this context, energy storage full lifecycle solutions featuring energy time-shift and power regulation capabilities have gradually evolved into a rigid demand to ensure the safety, stability, and economic operation of new power system. Among them, BESS is the core type of ESS, with the global shipment volume of BESS occupying over 90% of the energy storage system (ESS) market in 2025.

BESS integrates key hardware and software modules, including battery cells, BMS, PCS, and EMS. These systems are evolving to provide both capacity value and ancillary service capabilities, forming energy storage full lifecycle solutions. These full lifecycle solutions providers possess independent R&D capabilities for core systems such as BMS, PCS, and EMS, building integrated solution frameworks through deep synergy between hardware and software. Furthermore, leading enterprises are extending their reach into energy trading and asset operation services. By leveraging algorithmic models and AI technology, they develop intelligent scheduling and revenue optimization systems to achieve strategic management and dynamic decision-making for participation in spot markets, ancillary service markets, and capacity markets.

Analysis of BESS Applications

From the perspective of end users, BESS can be categorized into three types: centralized utility-scale BESS (generation-side, TSO side), distributed utility-scale BESS (DSO side, medium-to-large C&I side), and small C&I and residential BESS.

Illustration of BESS Applications, by End Users

Terminal Application	Core Scenarios	Interconnection Voltage	Management and Control Party	Power Supply and Demand Links
Centralized Utility-Scale BESS	**Generation-side and transmission grid** peak shaving and valley filling, voltage/frequency regulation, black start, and smoothing grid connection for large-scale wind and solar power bases, etc.	**Generation-side:** 10kV and above **Transmission grid:** 110kV, 220kV and above (high voltage and extra-high voltage)	Power generation enterprises, TSO	Power sources are primarily large traditional power plants and centralized large-scale renewable energy bases; consumers are regional or national macro-grids, not directly targeting any single end-user.
Distributed Utility-Scale BESS	**Distribution grids and medium-to-large C&I** voltage/frequency regulation, peak-valley arbitrage, demand charge management, microgrid, emergency backup power, etc.	**Distribution grid and medium-to-large C&I:** covering 6kV to 35kV (medium-to-low voltage)	DSO, medium-to-large C&I owners	This sector closely integrates centralized and distributed power producers with the distribution grid and high-energy-consuming medium-to-large C&I owners.
Small C&I and Residential BESS	**Small C&I** enabling internal charging pile expansion, building/factory peak shaving and valley filling, reduction of capacity charges, etc. **Residential BESS** maximizing household PV self-consumption rate, utilizing TOU tariffs for household electricity bill management, etc.	**Small C&I:** 380V/400V **Residential:** Single-phase 220V/110V or low-voltage three-phase 380V/400V	Small C&I owners, house owners	Power sources are primarily the grid and distributed PV systems; the core consumers are small C&I owners and residential users.

Sources: European Network of Transmission System Operators for Electricity (ENTSO-E), EU DSO Entity, Frost & Sullivan

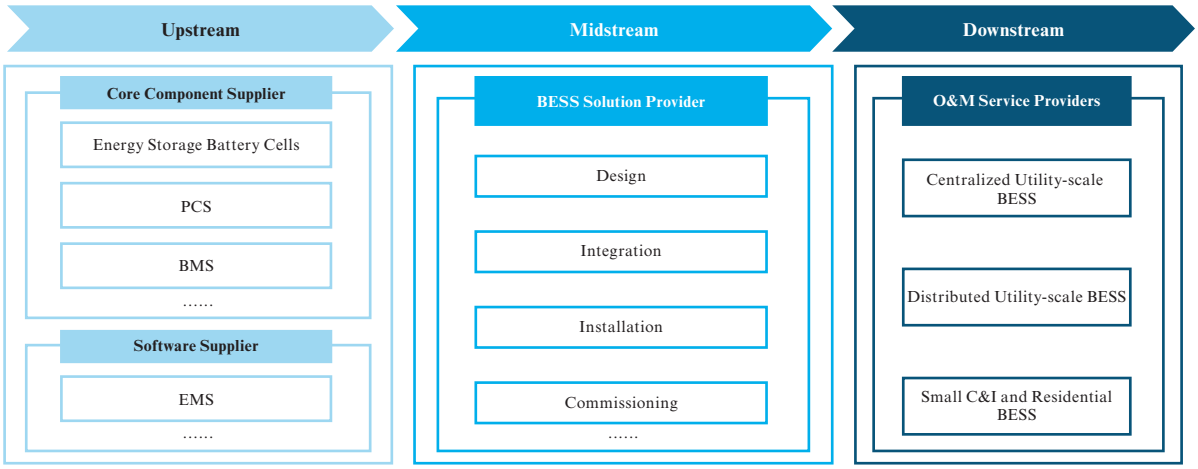
From a functional perspective, BESS primarily cover voltage/frequency regulation, peak-valley arbitrage, demand response, microgrid, and other scenarios.

- Voltage/frequency regulation are core scenarios for ensuring the safe operation of the power grid. By responding rapidly to grid frequency fluctuations, they ensure the dynamic balance of the power system.
- Peak-valley arbitrage capitalizes on the temporal differences in electricity prices by charging during off-peak periods and discharging during peak periods to capture revenue from price spreads.
- Demand response refers to the dynamic interaction in which end-users actively shift or curtail their short-term electrical load to assist in balancing real-time grid supply and demand, ultimately realizing the dynamic expansion of energy storage.
- Microgrid is typically combined with distributed PV to provide low-carbon backup power solutions for infrastructure such as data centers.

Value Chain Analysis of the Global BESS Industry

The upstream segment primarily consists of manufacturers of core components, such as energy storage battery cells, PCS, and BMS, as well as software providers for EMS. The midstream segment is led by BESS solution providers responsible for system design, integration, installation, and commissioning. The downstream mainly comprises O&M service providers across various scenarios, who handle system O&M and energy management. Core applications include centralized utility-scale BESS, distributed utility-scale BESS, small C&I and residential BESS. Companies that possess in-house software R&D capabilities across the entire chain achieve deep coupling and safety synergy between hardware and software. This enhances the management of battery consistency, significantly shortens grid-connection time, and provides customers with superior system response and the capacity to support ancillary power services.

Value Chain Analysis of Global BESS Industry

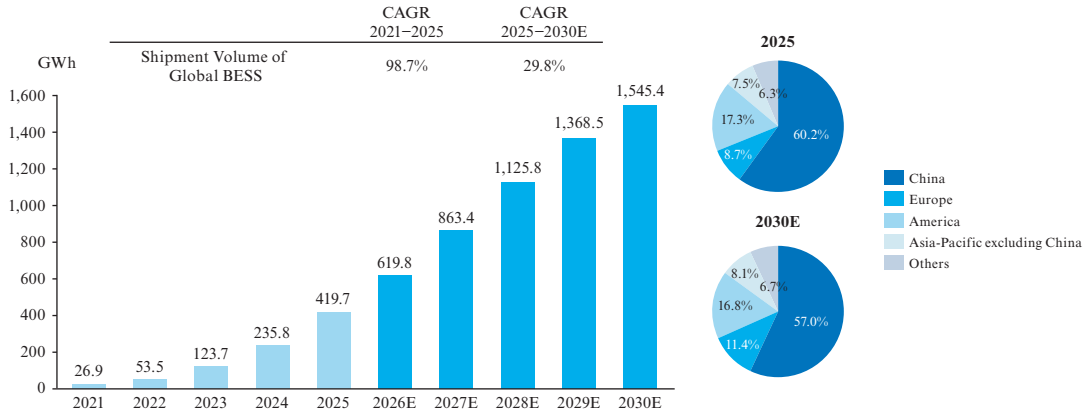


Sources: China Industrial Association of Power Sources (CIAPS), Frost & Sullivan

Market Size Analysis of the Global BESS Industry

From 2021 to 2025, shipment volume of global BESS grew from 26.9GWh to 419.7GWh, representing a CAGR of 98.7%. Shipment volume of global BESS are projected to further increase to 1,545.4GWh by 2030, with a CAGR of approximately 29.8% from 2025 to 2030. By regions, China is the largest market with BESS shipment volume increasing from 5.3GWh in 2021 to 252.5GWh in 2025, achieving a CAGR of 162.7%. Looking ahead, the European BESS market is expected to achieve the fastest growth, driven by the centralized and distributed utility-scale BESS segments. Shipment volume of European BESS are projected to rise from 36.5GWh in 2025 to 176.9GWh in 2030, representing a CAGR of 37.1%.

Shipment Volume of Global BESS by Regions, 2021–2030E



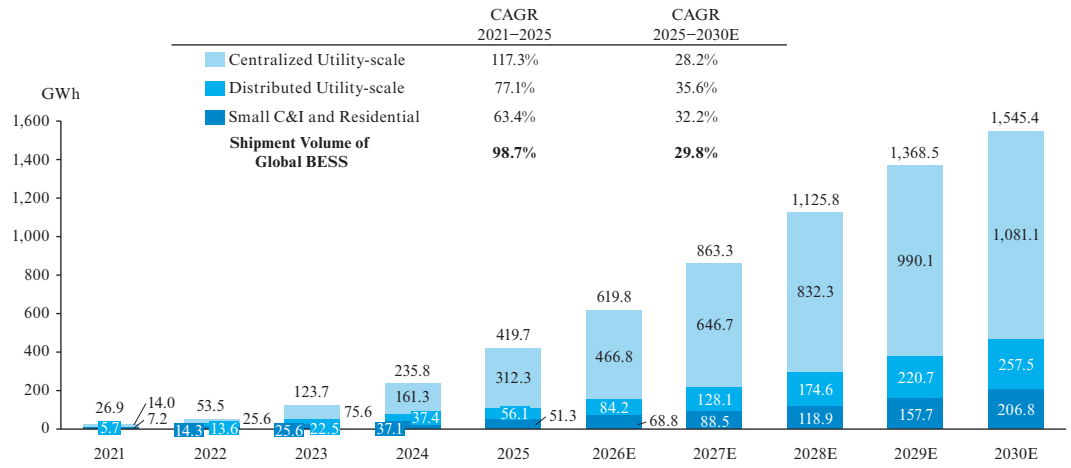
Sources: International Energy Agency (IEA), European Association for Storage of Energy (EASE), China Energy Storage Alliance (CNESA), and Frost & Sullivan

Notes: BESS refers exclusively to system with lithium-ion battery cells. In terms of shipment volume in 2025, lithium-ion batteries accounted for nearly 99% of the ESS market, while other sectors are minor.

By applications, centralized utility-scale BESS remains the largest segment, driven by the demand for grid-side peak shaving and voltage/frequency regulation, as well as the large-scale integration of renewable energy. Distributed utility-scale BESS maintains a high-growth momentum. The massive integration of high proportions of distributed renewable energy has intensified local grid congestion and fluctuations, creating an urgent need for the deployment of BESS. These systems

serve as the cost-effective alternative to expensive traditional grid expansion and facilitate a transition toward active grid management, driving explosive growth in this segment, particularly in Europe. Shipment volume of distributed utility-scale BESS are projected to grow from 56.1GWh in 2025 to 257.5GWh by 2030, representing a CAGR of 35.6%. Small C&I and residential BESS serve as critical carrier for user-side energy management and power self-sufficiency, with market activity primarily concentrated in Europe, Asia-Pacific, and Africa.

Shipment Volume of Global BESS by Applications, 2021–2030E



Sources: IEA, EASE, CNESA, and Frost & Sullivan

Note: In China, distributed utility-scale BESS corresponds only to medium-to-large C&I applications.

Market Drivers and Development Trends of the Global BESS Industry

High Portion of Renewables Integration Driving Growth in Rigid Demand for Energy Storage

Against the backdrop of the continuous advancement of global "Dual Carbon" targets, the rapid expansion of renewable energy installed capacity is driving the transformation of power system toward a high-proportion renewable energy structure. The share of solar and wind power in the global power mix increased from 4.4% in 2010 to approximately 30% in 2025 and is expected to exceed 50% by 2030. Given the inherent intermittency and volatility of wind and solar power, the rapid increase in installed capacity significantly adds to grid regulation pressure, reinforcing the rigid demand for BESS. By smoothing renewable energy output, participating in peak shaving and voltage/frequency regulation, and enabling the temporal and spatial shifting of energy, BESS effectively enhances the grid's capacity to integration capacity of renewable energy and improve overall system stability.

Strong Policy Support and Declining Energy Storage Costs

Continuous policy support serves as a fundamental driver for industry growth. In October 2025, China released the Proposal of the Central Committee of the Chinese Communist Party on Drawing Up the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於製定國民經濟和社會髮展第十五個五年規劃的建議》), which pointed out the need to further improve capacity pricing mechanisms for diversified flexible resources such as new types of energy storage and VPP, and to gradually establish complete electricity, capacity, and ancillary service markets. In March 2023, the European Commission released a draft plan for electricity market reform, and in July, the European Parliament officially voted to pass the Electricity Market Design, providing a legal and institutional framework for energy storage development while strengthening its independent status and investment predictability in the electricity market. These policies improve the industry's development environment across multiple dimensions, laying the institutional foundation for large-scale energy storage applications. Furthermore, the continuous decline in the overall cost

of BESS has further lowered application barriers, driving the sustained expansion of the global market. In 2025, the global average LCOS was decreased from nearly RMB0.1/kWh in 2021 to RMB0.085/kWh in 2025, and it is expected to further decline to RMB0.06/kWh by 2030.

Expansion of Computing Power Driven by AIDC Boosting Energy Storage Demand

With the rapid iteration of AI technology and continuous expansion of large-scale models, the construction of AIDC has entered an accelerated phase. Global data center capital expenditure is expected to grow from approximately USD250 billion in 2025 to over USD500 billion by 2030. The continuous increase in computing power density, coupled with the large-scale deployment of AI servers, has led to a rapid surge in data center power demand. Global data center electricity consumption is projected to rise from nearly 500 billion kWh in 2025 to over 2 trillion kWh by 2030. Driven by high computing power density and the need for continuous operation, data center loads are characterized by high continuity and reliability, placing higher demands on grid stability, power quality, and peak regulation capabilities. In the context of an increasing share of renewable energy and heightened power system volatility, BESS has become critical infrastructure for supporting green power supply for AIDC, achieving peak shaving and valley filling, and enhancing power supply security. Global shipment volume of BESS for AIDC are expected to exceed 300GWh by 2030, accelerating the release of demand for BESS installations.

Technical Routes Evolving Toward Grid-Forming, Intelligence, and Long-Duration

As the proportion of renewable energy rises and grid structures become more complex, technical routes for BESS are evolving from traditional grid-following to grid-forming capabilities to enhance the system's active support for grid frequency and voltage. Meanwhile, software and algorithmic capabilities are increasingly becoming the core competitive strengths of intelligent BESS. Through the optimization and upgrade of BMS, PCS, EMS, and intelligent dispatch algorithms, BESS can achieve state prediction, strategy optimization, and multi-market synergistic response, thereby improving operational safety and revenue management capabilities. The deep application of AI and data analytics further strengthens the system's forecasting capabilities and refined management levels. VPP and AI energy trading technologies are evolving into real-time spot market forecasting and automated optimization decision-making based on large models and multi-agent synergy. This helps transform BESS into financial assets capable of autonomously participating in ancillary services and electricity spot trading to maximize total lifecycle returns. In addition, multiple countries globally have explicitly mandated the configuration of long-duration BESS exceeding four-hour duration, promoting its large-scale commercialization. Moving forward, the evolution to six-hour and eight-hour duration BESS will ensure the needs of energy-intensive scenarios, driving long-duration BESS to be widely adopted. Collectively, these technical trends are driving a leapfrog improvement in the comprehensive performance of BESS, laying a solid foundation for the development of new power system.

Entry Barriers of the Global BESS Industry

BESS industry has high comprehensive entry barriers, with a significant gap existing between leading enterprises and new entrants across four core dimensions. In terms of technical barriers, leading enterprises rely on their in-house R&D of core BMS, PCS, and EMS as well as electromagnetic transient simulation capabilities to effectively ensure high-demand system synergy and grid-connection stability. Regarding customer barriers, leading players have penetrated the tier 1 supply chains of mature markets such as Europe through multiple rounds of rigorous certifications, establishing brand barriers while new entrants facing substantial expansion costs. Meanwhile, leveraging standardized modular designs and localized service teams, leading enterprises have built barriers for cross-regional product delivery. Finally, with the market-oriented development of the industry, leading enterprises have further raised marketization barriers by comprehensive asset operation capabilities extending to energy trading, resulting in new players facing severe competitive challenges across all aspects, including core technology accumulation, project delivery, global networks, and risk resistance.

INDUSTRY OVERVIEW

OVERVIEW OF THE EUROPEAN BESS INDUSTRY

Analysis of the Current Status of the European BESS Industry

The European power grid consists of more than 40 TSO and over 2,500 DSO. Its highly market-oriented structure and well-established electricity trading mechanisms have a profound impact on the business models and technological evolution of BESS. On one hand, the demand from TSO for voltage/frequency regulation of cross-regional high-voltage transmission networks, combined with DSO needs for local distribution grid congestion management and voltage support, has given rise to a highly developed ancillary services market and local flexibility market. On the other hand, although regulatory frameworks usually remain unified within individual countries, Europe's fragmented, multi-country landscape results in differences in grid connection requirements, dispatch protocols, and market entry prequalification standards across jurisdictions, significantly increasing the barriers to grid adaptation and regulatory compliance for cross-border deployment of BESS. This environment also drives BESS solution providers to equip highly intelligent EMS and VPP control algorithms, enabling millisecond-level grid response and automated cross-market optimization in a multi-layered, high-frequency, and heterogeneous European electricity market.

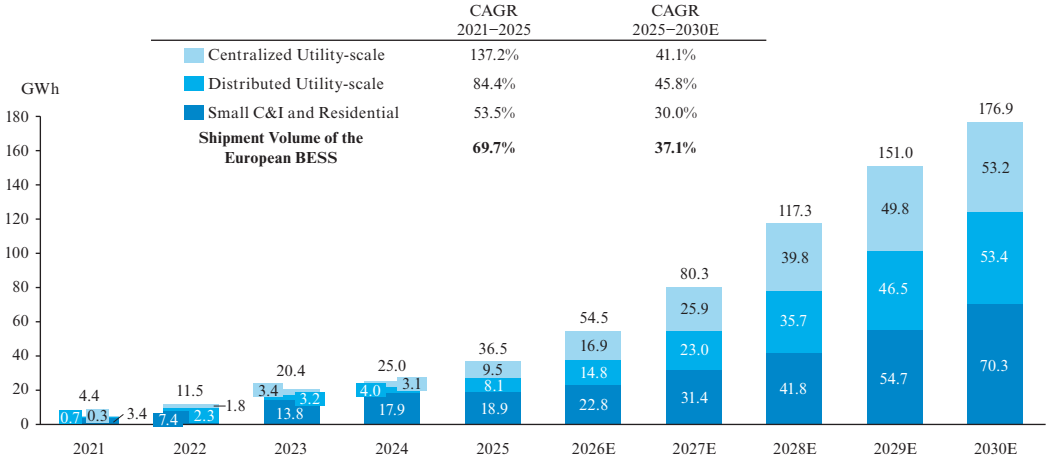
Looking ahead, as intermittent renewable energy sources such as wind and solar are increasingly integrated into the grid, accounting for over 30% of total power generation in Europe by 2025, the traditional power system, originally designed with limited flexibility, is facing growing challenges. This has turned energy storage into a structural necessity for distribution networks. With the rapid proliferation of distributed energy resources and the expansion of high-power charging infrastructure for heavy-duty electric commercial vehicles, distribution grids across Europe are experiencing significant load volatility and localized congestion. BESS serves as the critical hub for providing voltage/frequency regulation and enhancing grid flexibility. Further, most European countries are not equipped with the automatic generation control (AGC) system, resulting in limited secondary frequency regulation capabilities.

The Nordic BESS market exhibits strong commercial characteristics, including high value and high returns: Benefiting from one of the world's most mature electricity trading platforms, the Nord Pool, the Nordic region offers abundant and highly profitable scenarios for BESS, while also imposing stringent requirements on system reliability under extreme conditions and on refined operational management. For BESS solution providers with end-to-end in-house capabilities, the Nordic region represents not only a high-value market but also a key testing ground for advanced technologies, brand establishment, and expansion across the broader European market.

Market Size Analysis of the European BESS Industry

The European BESS market is experiencing rapid growth, with market size increasing from 4.4GWh in 2021 to 36.5GWh in 2025, and projected to reach 176.9GWh by 2030, representing a CAGR of 37.1% from 2025 to 2030. Among this, distributed utility-scale BESS is experiencing progressively mature business models and improving project economics, driven by increasing electricity price volatility, widening peak-to-valley price spreads, and rising demand from enterprises for energy cost management and power supply reliability. DSO are increasingly adopting BESS as the core solution to provide local grid flexibility, alleviate capacity expansion pressures, and defer costly traditional grid upgrade investments. In addition, the expanding peak-to-valley price differentials and stringent carbon emission requirements across Europe are accelerating the adoption of energy storage among medium-to-large C&I users for economic arbitrage and enhanced energy self-sufficiency. As a result, the share of distributed utility-scale BESS within the overall European BESS market is expected to increase from 22.2% in 2025 to 30.2% by 2030.

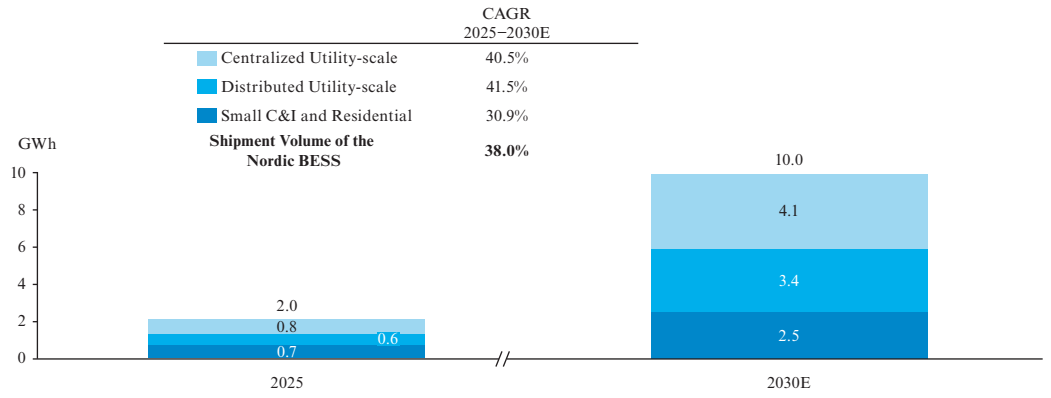
Shipment Volume of the European BESS by Applications, 2021–2030E



Sources: IEA, EASE, Frost & Sullivan

The Nordic power system is predominantly powered by clean energy. Due to the cold winter weather, electricity load exhibits notable seasonal fluctuations. Meanwhile, Nordic nations are accelerating their transition toward renewable energy. In particular, driven by the dual impacts of large-scale renewable energy grid integration and the phase-out of certain traditional baseload power sources, the volatility of their power system, along with the associated pressure on voltage/frequency regulation, is becoming increasingly pronounced. Against this backdrop, the market size for BESS in the Nordic region is projected to expand from 2.0GWh in 2025 to 10.0GWh in 2030, representing a CAGR of 38.0% over this period.

Shipment Volume of the Nordic BESS by Applications, 2025 & 2030E



Sources: IEA, EASE, Frost & Sullivan

Market Drivers and Development Trends of the European BESS Industry

Amidst Grid Connection Queues and Limited Land Resources, Distributed Utility-scale BESS Forming the Core of Europe's Future Development

Large-scale ground-mounted power plants in Europe are facing challenges such as scarce land resources and grid connection queues lasting several years, which has continuously extended the implementation timeline for hundred-megawatt-level centralized utility-scale BESS projects. Against this backdrop, distributed utility-scale BESS projects that connect to DSO and C&I users align with Europe's physical conditions. By utilizing small idle land while avoiding lengthy high-voltage grid connection approval processes, these projects enable voltage/frequency regulation applications on

the distribution network side, provide local grid support for DSO, and participate in spot market trading, ensuring that the European BESS market remains both feasible to deploy and highly profitable.

European Reform of Electricity Market Design and Localized Incentive Policies

The European policy evolution provides long-term certainty for distributed utility-scale energy storage projects. The reform of EMD reached in early 2024 by the EU explicitly requires member states to assess local grid flexibility needs and mandates DSO to introduce market-based mechanisms for procuring flexibility resources, rather than relying solely on hardware expansion. In addition, several national governments have introduced tax reductions, grid fee exemptions, and targeted subsidy schemes for distributed utility-scale BESS. These regulatory frameworks establish profitability guarantees for distributed utility-scale BESS as an independent market entity, positioning it as a core infrastructure asset for European next-generation decentralized power system.

European Distribution Grid Congestion and Pressure for Infrastructure Upgrades Driving Substantial Demand for DSO-side BESS

Aging distribution grid infrastructure has led to localized voltage violations and severe network congestion. Compared with the high costs associated with traditional capacity expansion and grid reinforcement, the flexible deployment of BESS at DSO nodes has become the fastest and most cost-effective solution to alleviate local grid bottlenecks, while providing voltage/frequency regulation, thereby fostering a broad local flexibility services market for DSO.

OVERVIEW OF THE CHINA'S BESS INDUSTRY

Analysis of the Current Status of the China's BESS Industry

The BESS industry in China is currently at a critical stage of transitioning towards market-oriented value realization, with independent energy storage emerging as a core driver of industry development. At present, the Guiding Opinions on Accelerating the Development of New Energy Storage (《關於加快推動新型儲能髮展的指導意見》) jointly issued by the National Development and Reform Commission and the National Energy Administration serves as the top-level policy framework, together with the continuous improvement of electricity spot market trading rules and ancillary service compensation mechanisms across provinces and municipalities, forming the key policy support for the development of independent energy storage. In 2025, the issuance of the "No. 136 Policy" and the Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market (《關於全面加快電力現貨市場建設工作的通知》) further promoted the integration of products and O&M, and clarified the pathway for electricity market-oriented reform. These policies aim to establish a closed-loop commercial model for BESS by defining diversified revenue streams, including peak shaving and voltage/frequency regulation, capacity leasing, ancillary services, and peak-to-valley arbitrage in spot markets, thereby enabling BESS assets in China to evolve into investable income-generating assets. As the transmission and distribution operator market in China is relatively concentrated, participants in the independent energy storage market are required to adapt to stringent grid dispatch requirements and keep pace with differentiated electricity market reforms, forming localized competitive barriers.

Electricity market reform and increasingly diversified revenue models: In 2025, the volume of market-based electricity trading in China reached 6.6 trillion kWh, representing an approximately sevenfold increase compared to 2015, with its share of total electricity consumption rising from less than 15% to nearly 65%. Except for guaranteed supply and self-consumed electricity, most electricity has been transacted through market mechanisms. In 2026, the General Office of the State Council issued the Implementation Opinions on Improving the National Unified Electricity Market System (《關於完善全國統一電力市場體繫的實施意見》), which set out that a national unified electricity market system is to be basically established by 2030, with the share of market-based electricity trading increasing to approximately 70%, and to be fully established by 2035. As the

framework of the unified electricity market continues to improve, the institutional space for BESS to participate as independent market entities in electricity trading and ancillary services continues to expand.

China's BESS market holds a significant position globally: The shipment volume of BESS in China increased significantly from 5.3GWh in 2021 to 252.5GWh in 2025. Looking ahead, with the continued improvement of policy frameworks, ongoing technological advancements and accelerated industrialization, the market size is expected to further increase to 880.9GWh by 2030, representing a CAGR of 28.4% from 2025 to 2030.

OVERVIEW OF THE AMERICAN AND OTHER REGIONS' BESS INDUSTRY

Americas: With the rapid penetration of distributed energy in North America and Latin America, together with the surge in high energy-consuming loads such as data centers, distribution networks are facing increasing pressure in voltage/frequency regulation and localized overloading. BESS has become a key solution for maintaining grid balance and addressing peak-to-valley imbalances in the Americas. Currently, the BESS market in the Americas presents growth opportunities driven by both high potential and off-grid demand. In the United States, due to aging main grid infrastructure and frequent extreme weather events, demand for BESS has increased in high value-added C&I scenarios such as data centers and healthcare institutions, in order to ensure power supply security in these scenarios. This places higher requirements on intelligent dispatch and millisecond-level switching capabilities of BESS. In Latin American countries such as Peru, the cost of extending the main grid to remote areas and mining regions is relatively high, and off-grid, energy-intensive mining sites have strong demand for microgrids. In such scenarios, BESS focuses on high reliability and strong grid-support capabilities.

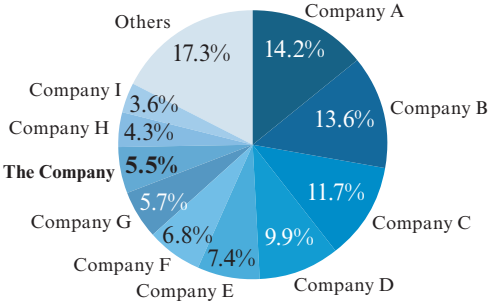
Africa: Power grid infrastructure in Africa is relatively underdeveloped, and microgrid are gradually replacing traditional and costly diesel generation, becoming a more economical solution for addressing power supply challenges in remote communities and large independent mining areas. Meanwhile, with the continued decline in BESS hardware costs and capital inflows from international financial institutions, the distributed utility-scale BESS market in Africa is gradually evolving towards larger-scale distributed deployment with improving investment returns and commercial viability.

Other regions (e.g., Japan, South Korea and Australia): In Japan and South Korea, constrained land resources and rising electricity prices are supporting the growth of distributed utility-scale BESS markets, in order to meet the demand from high energy-consuming enterprises for peak shaving, electricity cost reduction and enhanced power supply resilience under extreme conditions. In Australia, the high penetration of rooftop PV system has led to reverse power flow and voltage constraint issues in distribution networks, driving the deployment of community-level distributed utility-scale BESS on the distribution side to facilitate local consumption of renewable energy and alleviate localized congestion.

COMPETITIVE LANDSCAPE OF THE EUROPEAN BESS INDUSTRY

In 2025, the top 10 providers in the European distributed utility-scale BESS solutions market accounted for a combined market share of 82.7%, indicating a relatively concentrated market. Market participants include both Chinese outbound enterprises and international players, forming a competitive landscape characterized by the coexistence of domestic and overseas providers. Among them, the Company held a market share of approximately 5.5% in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers.

Top 10 Distributed Utility-Scale BESS Solution Providers in Europe, by Shipment Volume, 2025



Ranking	Company	Market Share (%)
1	Company A	14.2%
2	Company B	13.6%
3	Company C	11.7%
4	Company D	9.9%
5	Company E	7.4%
6	Company F	6.8%
7	Company G	5.7%
8	**The Company**	**5.5%**
9	Company H	4.3%
10	Company I	3.6%
Top 10		**82.7%**

Sources: Annual reports of listed companies, Frost & Sullivan

Notes:

1. Company A, established in 1973 and listed on Tokyo Stock Exchange, is primarily engaged in the R&D and manufacturing of motors, automotive components, BESS, etc. Its BESS business mainly focuses on the scenarios of centralized and distributed utility-scale BESS.

2. Company B, established in 1997 and listed on Shenzhen Stock Exchange, is primarily engaged in the R&D and manufacturing of photovoltaic inverters, BESS, and related power conversion equipment.

3. Company C, established in 2003 and listed on NASDAQ, is primarily engaged in the R&D and manufacturing of electric vehicles, BESS, and energy storage solutions.

4. Company D, established in 1987, is primarily engaged in the provision of ICT infrastructure and digital energy technologies, including power electronics and smart energy solutions. Its BESS business mainly focuses on centralized and distributed utility-scale BESS.

5. Company E, established in 2018 and listed on NASDAQ, is primarily engaged in the provision of energy storage products, digital platforms and lifecycle services, with offerings covering utility-scale BESS and energy management software.

6. Company F, established in 1995 and listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange, is primarily engaged in the R&D and manufacturing of batteries, electric vehicles and related BESS, with vertically integrated capabilities across battery production and system solutions.

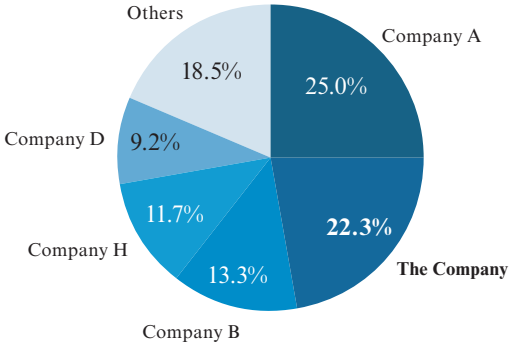
7. Company G, established in 2007, is primarily engaged in the provision of renewable energy system solutions, including wind power, BESS and EMS, with integrated capabilities across generation and storage technologies.

8. Company H, established in 1937 and listed on Euronext Amsterdam, is primarily engaged in the development and manufacturing of smart grid solutions, EV charging equipment and BESS, with integrated capabilities across grid infrastructure and energy storage applications.

9. Company I, established in 2014, is primarily engaged in the provision of innovative PV-hybrid, off-grid, battery-based, and power-to-gas (hydrogen) projects. Its BESS business mainly focuses on the scenarios of off-grid and hybrid energy systems.

In 2025, the top five providers in the Nordic distributed utility-scale BESS solutions market accounted for a combined market share of 81.5%, indicating a concentrated market. Among them, the Company held a market share of approximately 22.3% in the Nordic distributed utility-scale BESS market, ranking first among Chinese solution providers and second among all solution providers.

Top 5 Distributed Utility-Scale BESS Solution Providers in the Nordic Region, by Shipment Volume, 2025



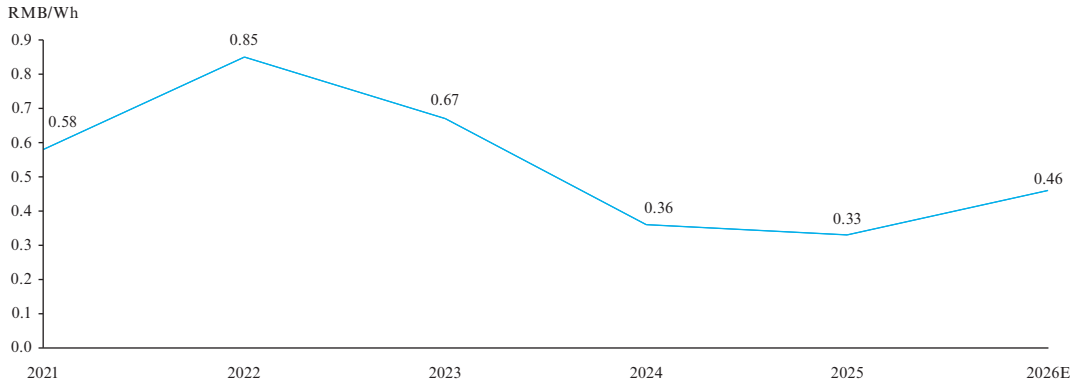
Ranking	Company	Market Share (%)
1	Company A	25.0%
2	**The Company**	**22.3%**
3	Company B	13.3%
4	Company H	11.7%
5	Company D	9.2%
Top 5		**81.5%**

Sources: Annual reports of listed companies, Frost & Sullivan

Raw Material Price Analysis

Energy storage lithium-ion battery cells are the core component of BESS, primarily used for the storage and release of electrical energy. Suppliers of energy storage lithium-ion battery cells are typically concentrated among a limited number of manufacturers. From 2021 to 2022, driven by the rapid growth in demand from new energy vehicles and energy storage applications, prices of upstream key raw materials such as lithium and nickel increased, together with a phase of tight supply chains, resulting in an overall increase in cell prices. After 2022, as upstream production capacity was gradually released, raw material prices declined and industry competition intensified, cell prices exhibited a downward trend. The price of energy storage lithium-ion battery cells decreased from RMB0.85/Wh in 2022 to RMB0.33/Wh in 2025. Since October 2025, driven by the rapid price increase of lithium carbonate, the key raw material, and the approaching year-end deadline for BESS grid connections in China, prices of battery cell began to rise. In 2026, influenced by a tight supply-demand balance and the rapid expansion of the BESS market, the average price of lithium carbonate experienced a rapid surge and remained stable at a high level. From October 2025 to May 2026, the monthly average price of lithium carbonate surged by over 150%. Consequently, during the same period, the monthly average price of energy storage lithium-ion battery cells rose rapidly from RMB0.34/Wh to RMB0.45/Wh, representing a cumulative increase of 32.4%. It is projected that the annual average price of energy storage lithium-ion battery cells in 2026 will rise to RMB0.46/Wh, marking a significant rebound compared to 2025. Looking ahead, as the supply-demand balance gradually stabilizes and advancements in cell manufacturing technologies continue to drive cost optimization, the price of energy storage lithium-ion battery cells is expected to remain relatively stable and decrease to the range from RMB0.25/Wh to RMB0.30/Wh in 2030, with moderate fluctuations within a certain range.

Average Price of Energy Storage Lithium-ion Battery Cells in China, 2021–2026E



Sources: SMM, Frost & Sullivan

Note: Energy storage lithium-ion battery cells are primarily concentrated in the Chinese market.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on the global, European, China's, American and other regions' BESS industry to prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in New York in 1961, providing industry research and market strategies. We have entered into an agreement to pay Frost & Sullivan RMB550,000 for the preparation of the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed research, including discussions with several leading industry participants regarding industry conditions and interviews with relevant individuals. Frost & Sullivan also conducted secondary research, including reviewing company reports, independent research reports, and data from its own research database. Frost & Sullivan derived the estimated statistics of total market size based on historical data analysis incorporating macroeconomic data, taking into account the aforementioned main industry drivers. Its market engineering forecast methodology combines multiple forecasting techniques with a system based on market engineering measurements and relies on the expertise of the analyst team to integrate the key market elements investigated during the project research phase. Such elements primarily include expert opinion forecasting methods, integration of market drivers and constraints, integration of market challenges, integration of market engineering measurement trends, and integration of econometric variables.

The Frost & Sullivan Report was prepared based on the following assumptions: (i) the social, economic, and political environments globally and in Chinese mainland are likely to remain stable during the forecast period; and (ii) the key relevant industry drivers may drive the market during the forecast period.

This section and other chapters of the document excerpt portions of information from the Frost & Sullivan Report, aiming to provide potential [REDACTED] with a more comprehensive introduction to the industry in which we operate. The Directors confirm that, to the best of their knowledge and after making reasonable enquiries, there have been no material adverse changes in overall market information since the date of the release of the Frost & Sullivan Report which are sufficient to make material corrections, contradict or have an impact on such information.