

# Legend Power Systems Investor Presentation

# FORWARD LOOKING STATEMENTS

This Presentation may contain statements which constitute “forward-looking information”, including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company’s quarterly and annual Management’s Discussion & Analysis, which may be viewed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements other than as may be required by applicable law.

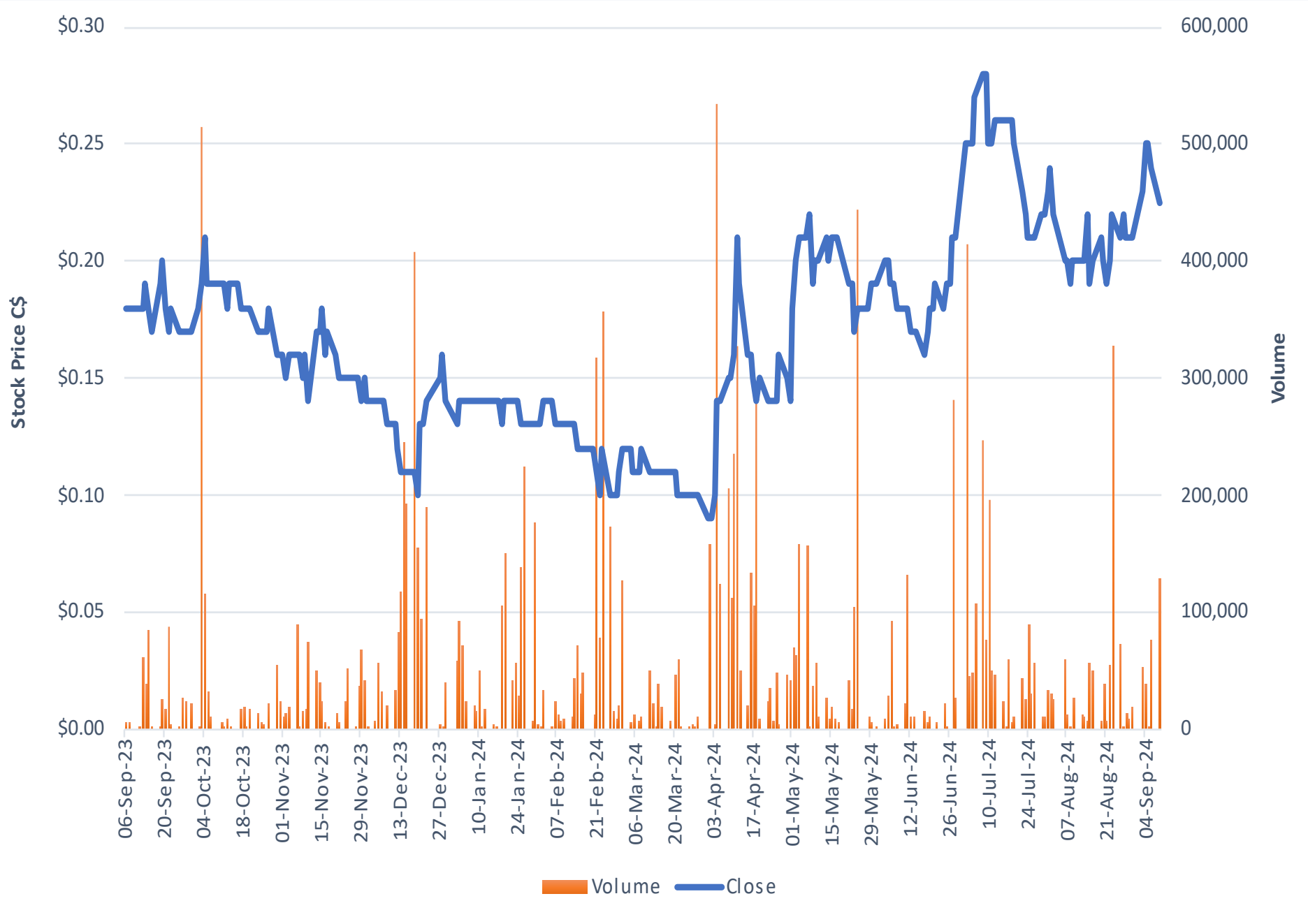


# Capital Structure – LPS:TSXV



All values C\$ as of Aug 22, 2024, unless otherwise indicated

Price (Sept 9, 2024)	\$0.225
52-Week High	\$0.30
52-Week Low	\$0.09
Shares I&O	131.7M
Options	7.7M
Warrants	14.1M
Fully Diluted Shares	153.5M
Market Cap	\$29.6M
Cash (June 30, 2024)	\$0.8M
Debt (June 30, 2024)	\$0.4M
Enterprise Value	\$29.2M
Working Capital (June 30, 2024)	\$1.5M
Insiders Own	14.5%





# Legend Power Systems SmartGATE – A Market Leader



Legend Power Systems solutions provide the industry-leading Active Power Management System for Large Buildings. The SmartGATE corrects incoming electrical supply designed to optimize the performance of key building systems.

Optimizing the power:

- lowers long-term energy costs and GHG emissions
- lowers maintenance and repair costs
- extends the lifetime of critical building systems

With more wind and solar being deployed, the grid stability will decline significantly and rapidly. Reversing the impact of volatility with SmartGATE leads to more satisfied occupants, lower operating costs, higher net operating income, and higher net asset value.

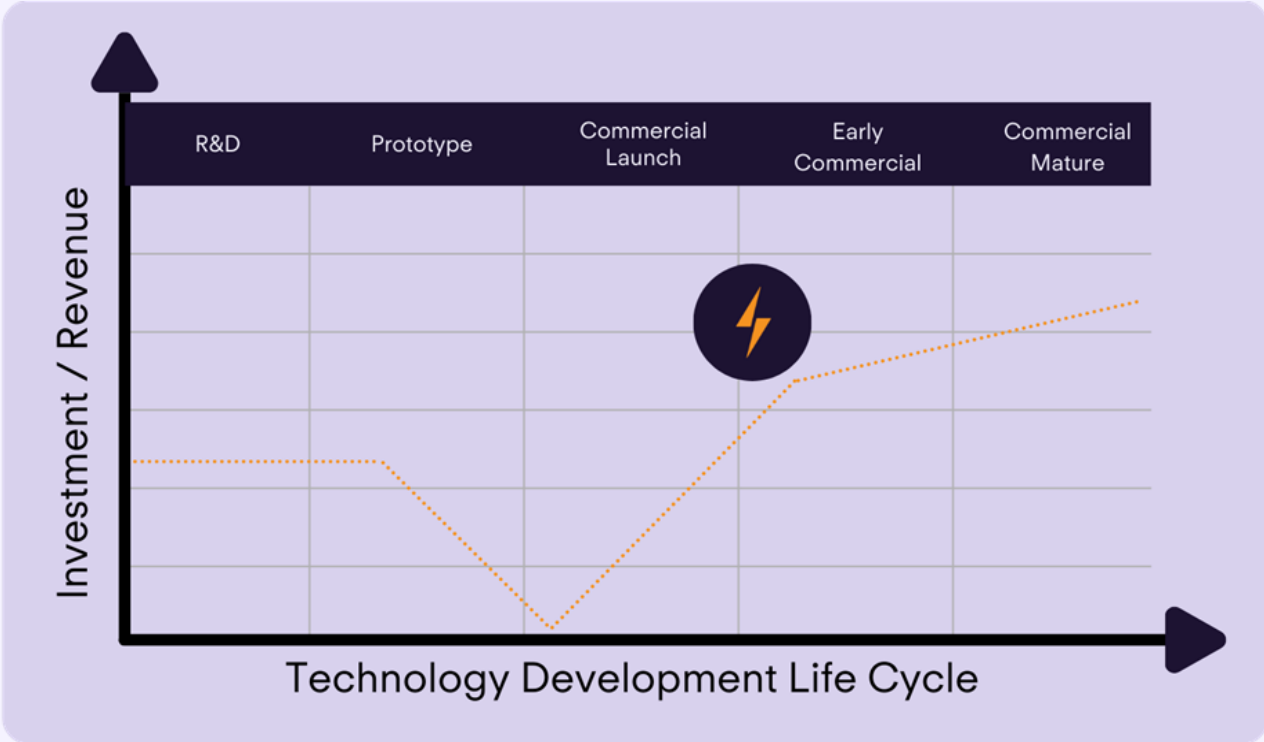
## SmartGATE System Performance

**4-6.5%**  
Energy Savings

**\$2**  
Maintenance Savings for each \$1 Energy Savings

**20%+**  
Increased Equipment Lifetimes

**40-60%**  
Lower Malfunctions and System Failures




### Proven History

- Initial product called the Harmonizer was met with great market acceptance
- Latest product called SmartGATE launched to address customer issues and move from a “nice to have” to a “need to have”



### Growing Market Acceptance

- Over 340 systems installed
- SmartGATE performance proven through International Standards



### Impressive R&D Discipline

- Developed and brought a new electrical device to market for under \$20M vs \$100M for competitive products



### Global Decarbonization / Electrification Tailwinds

- Trillions of dollars spent globally to remove carbon emissions from our economies
- Wind and Solar expansion increases need for Active Power Management



### Major Momentum

- City of New York School Construction Authority set standards to include Active Power Management on all new builds and major renovations
- US Federal Government Installing multiple systems through Green Proving Ground

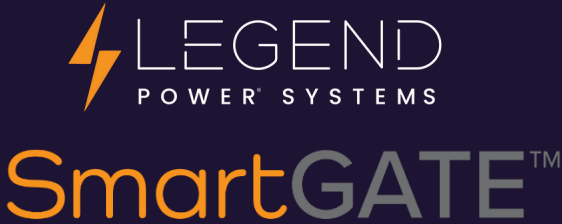
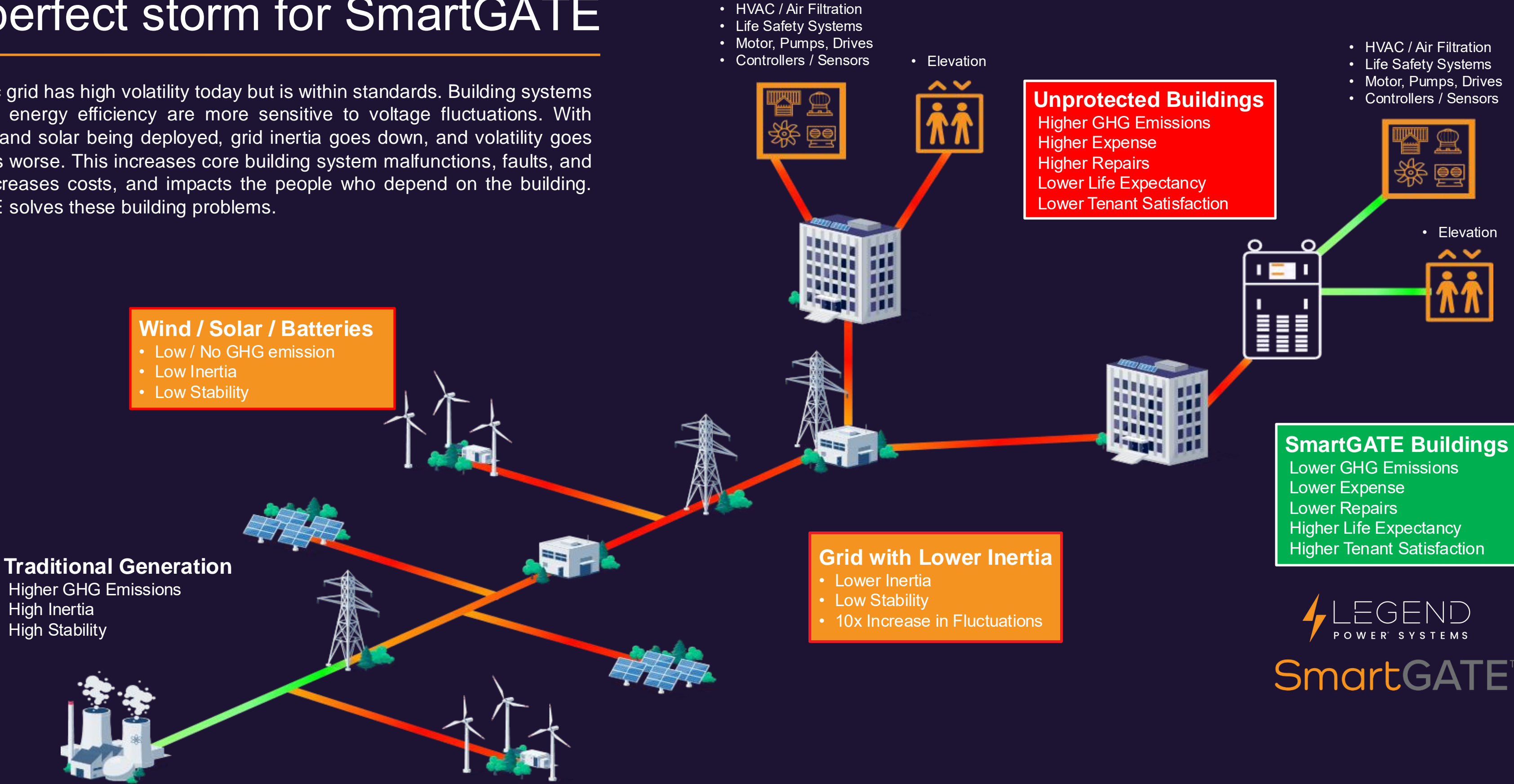


### Self Funding Business Model

- Strong working capital
- Purchases include payment terms to fund business activities

# Energy Transition – the perfect storm for SmartGATE

The electric grid has high volatility today but is within standards. Building systems with higher energy efficiency are more sensitive to voltage fluctuations. With more wind and solar being deployed, grid inertia goes down, and volatility goes up and gets worse. This increases core building system malfunctions, faults, and failures, increases costs, and impacts the people who depend on the building. SmartGATE solves these building problems.



## Market Position

2012 - 2022

**Harmonizer**

Overvoltage

Energy Savings

“ Nice to Have ”

## Market Drivers

### Customer Feedback

- Need more financial value
- Need More functionality
- Need a more compelling story

### Electrification / Decarbonization

- Focus on GHG reduction
- Move to higher efficiency / more sensitive equipment
- More Wind / Solar/ Batteries on the grid increasing volatility

### \$10M Capital Raise

- Redesign system
- Build next generation
- More valuable solutions
- Create a new category
- Take new products to market

2022+

**SmartGATE™**

Active Power Management

- Energy Savings
- System Reliability
- Asset Lifetime
- GHG Emissions
- Safe Buildings

“ Need to Have ”

## Result

50 System First 5 years  
250 Systems Next 5 years

### Historic Average

**1.7 Systems per Sale**  
**\$48,000 per Sale**

30 Systems first year

**Current Performance**  
**4.5+ Systems per Sale**  
**\$588,000 per Sale**

**Internal Forecast**  
**12+ Systems per Sale**  
**\$1.4M per Sale**



# Positioned for Growth

**Multifamily &  
Office CRE**

**Federal**

**MUSH / SLED**

- Proven Solution – 340 Systems Installed
- Proven Results
  - 4 to 6.5% Energy Savings
  - 20+% increase system life expectancy
  - 40 to 60% reduction in system faults/malfunctions
  - \$.50 to \$2 Maintenance & Repair savings for each \$1 of Energy Savings
- Growing Market Acceptance
  - US Federal Installations Underway, working on GSA Schedule Application
  - Approved for City of New York School Construction
  - 80+ Systems Installed Ontario Ministry of Education
  - Partnering with large US ESCOs in the US\$10-15B Federal and MUSH/SLED Markets
- Brought new solution to market in 3 years for under \$12M



## Strategic Imperatives



### Increase Deal Velocity

- Compressed Timing



### Expand Reseller

- Strategic Partnerships
- Skilled Support Network



### Reduce Costs

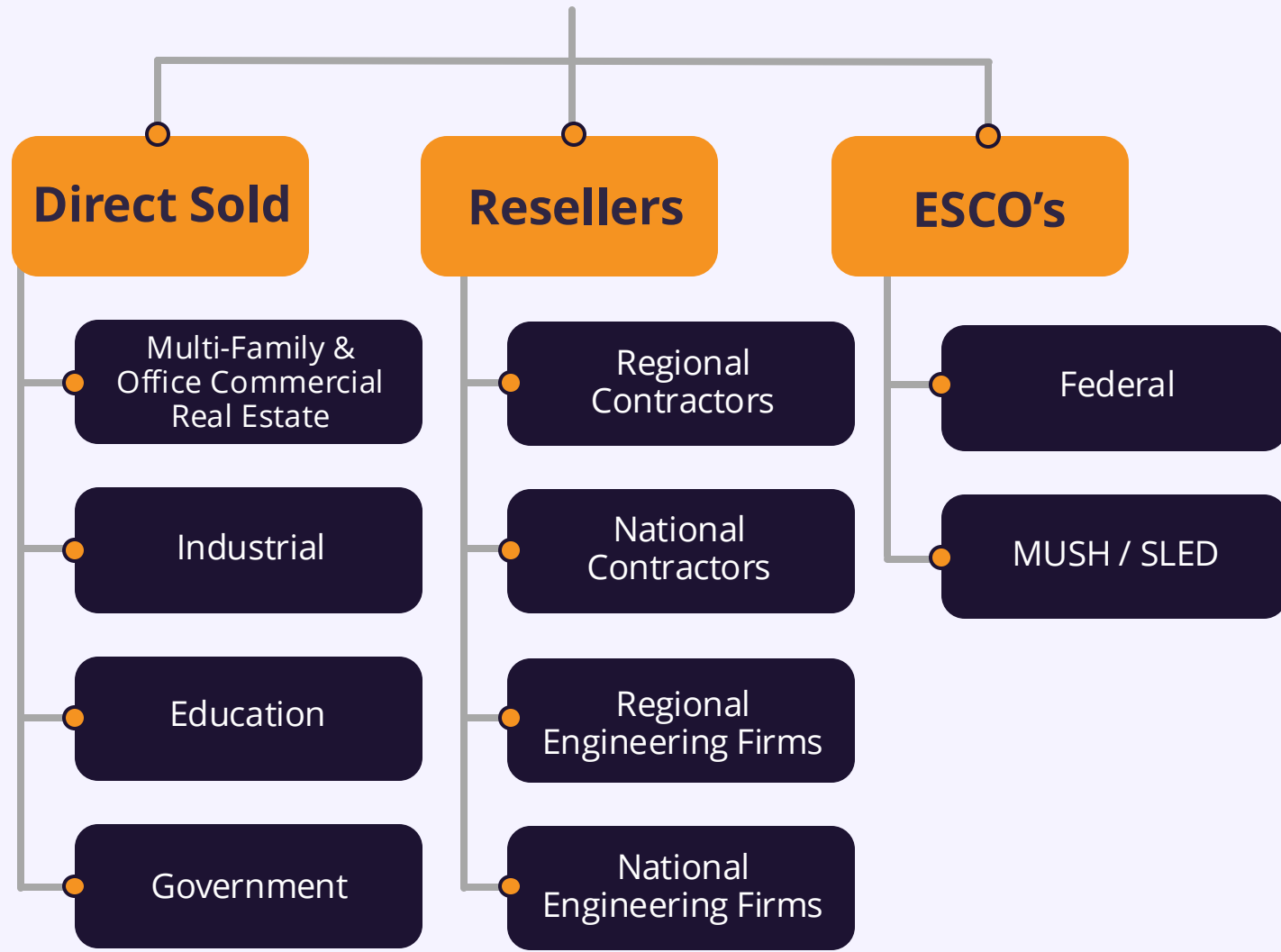
- Operational Excellence



### Cash Management

- Self funding with Deposits
- Expense Control

# Go To Market Strategy and Outlook



Momentum	Outlook
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- US Federal Government has engaged Oak Ridge National Labs to assess large scale deployment
- City of New York School Construction Authority has added Active Power Management to specifications for new schools and major renovations
- Multiple large system orders for 3 consecutive years
- Partnering with large US ESCOs in the US\$10-15B Federal and MUSH/SLED Markets
- Purchase programs set up with Ontario Ministry of Education
- Multiple Customers with double digit number of SmartGATEs
- Healthy Pipeline North of \$150M

- As we continue to expand wind, solar, and battery use on the electric grid, volatility will continue to rise
- Projections are wind, solar and battery electrical supply will exceed 30% within 10 years
- Over 25% wind and solar electrical supply to the grid will result in 1000% increase in grid volatility
- This requires Active Power Management as a critical component of a carbon reduction strategy
- Addressable market for SmartGATE in North America exceeds over one million buildings

## 3 Step Sales Process



**1 Analyze**

We start with collecting specific building power conditions and analyze the impact on the business.

**SmartGATE Insights™**



**2 Verify**

Building data combined with research & experience in building power to show impact in 3 areas

**Reliability, Lifetime, & Efficiency.**  
Power Impact Service



**3 Solve**

We actively optimize power challenges continuously to improve business performance and provide data to manage business optimally.

**SmartGATE™**

ESCO – Energy Service Company  
MUSH – Municipal, State, Universities, Schools, Hospitals  
SLED – State, Local, and Education



# Primary Segments Overview

Segment	Opportunity / Area of Focus	Market Size	Results
<b>Multifamily Residential / Commercial Real Estate</b>	<ul style="list-style-type: none"> <li>✓ Cost Reduction / Fault Avoidance</li> <li>✓ GHG Emission Reductions</li> <li>✓ Energy Savings</li> <li>✓ Building Asset Optimization</li> <li>✓ Maintenance Repair Savings</li> <li>✓ Tenant Satisfaction</li> <li>✓ Premium properties drive premium rental rates / income</li> </ul>	Total Addressable Market <b>\$5B+</b>	<ul style="list-style-type: none"> <li>✓ 90+ SmartGATE Systems installed in Multifamily Buildings</li> <li>✓ 5.2% Energy Savings</li> <li>✓ 99.8% of voltage fluctuations eliminated</li> <li>✓ Up to 60% Reduction of maintenance and repair costs</li> <li>✓ Maintenance and Repair savings of \$.50 to \$2 for each \$1 of Energy Savings</li> <li>✓ Current Multifamily Pipeline north of \$50M</li> </ul>
<b>Federal</b>	<ul style="list-style-type: none"> <li>✓ GHG Emission Reductions</li> <li>✓ Increased Building Reliability</li> <li>✓ Preservation of Building Systems</li> <li>✓ Works with Energy Performance Contracts</li> </ul>	Total Addressable Market <b>\$10B+</b>	<ul style="list-style-type: none"> <li>✓ Chosen from over 300 companies for Green Proving Ground</li> <li>✓ GSA commitment of \$2M for deployment planning</li> <li>✓ First System Installation in Progress Q1 2024</li> <li>✓ Pending Oak Ridge National Labs Publication</li> </ul>
<b>MUSH / SLED</b>	<ul style="list-style-type: none"> <li>✓ Electrification</li> <li>✓ GHG Emissions</li> <li>✓ Energy Performance Contracting through ESCO's</li> <li>✓ Energy Savings</li> <li>✓ Cost Reduction</li> </ul>	Total Addressable Market <b>\$20B+</b>	<ul style="list-style-type: none"> <li>✓ Written into spec with City of New York US\$4B electrification plan</li> <li>✓ ~100 SmartGATE Systems Installed</li> <li>✓ Engaged with 10+ ESCO's</li> <li>✓ Active member of NAESCO</li> <li>✓ Active inclusion in over 20 EPC RFPs</li> </ul>

## Challenges

- Capital Investment
- Long Term Value / Durable Asset Justification
- More than simple Energy Savings ROI

# Customers & Partners


# Q3 (June) 2024 Financial Results & Opportunities

**50%**

**Gross Margin**  
optimizing OPEX

**100%**

**Deposits Received**  
on all non-govt orders

## Self Funding Business Model

- Completion of shipment & install of backlog will bring \$1.9M cash

**\$1M**

**Revenue**  
vs. \$470k in Q3 F2023

**\$1.5M**

**Working Capital**  
to invest in business

## Cost Controls

- Less than \$1M burn / quarter
- Doubled production capacity

## Accelerating Deal Flow

- City of New York Department of Citywide Administrative Services (DCAS) RFP's
- U.S. General Services Administration (GSA) deployment & evaluation progressing
- U.S. Department of Defense signed LOI for 10 SmartGATES
- Multi-system orders from returning CRE's
- Multi-system order from new ESCO

## Robust Near-Term Pipeline

- Total Pipeline \$150M+
- Near-Term 17 deals totaling \$7M
- 4 deals worth more than \$1M each





# Board of Directors



**Randy Buchamer**  
President & CEO  
Legend Power Systems  
Director



**Cos LaPorta**  
(Chairman)  
Principal  
LaPorta Ventures



**Michael Atkinson**  
President & CEO Earlston  
Investments Corp.



**Dave Guebert**  
Corporate Director



**Jonathan Lansky**  
Independent Investor



SmartGATE™

Optimal Power. Optimal Performance.

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# Appendix



- Case Study
- Results Sample
- Segment Analysis



# Case Study

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# Case Study Overview

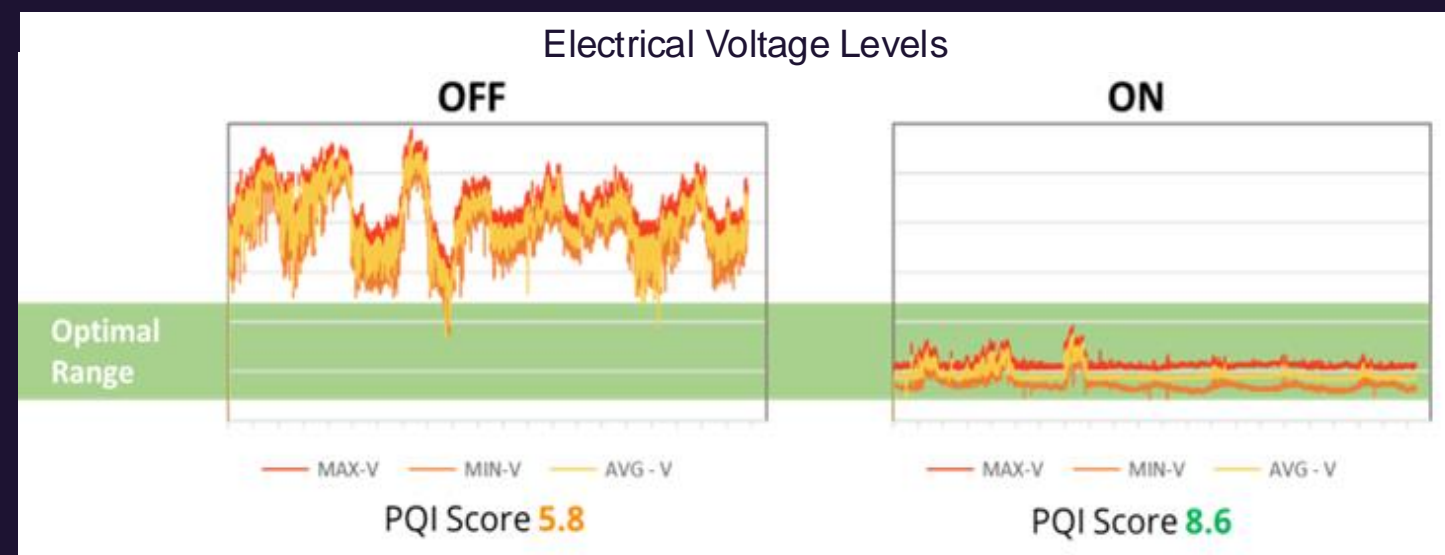
## Overview:

A prominent commercial real estate owner and operator for multifamily properties is looking to expand its market leadership position by increasing tenant satisfaction and safety, lowering GHG emissions, lowering operating costs, and increasing the value of its properties. They operate over 60 properties and are privately held.

**Results:** After installing 10 SmartGATE Systems (~\$1.23m investment), the following results were documented after 1<sup>st</sup> year of operation.

- ✓ Energy Related Savings – consumption, demand, costs and GHG emissions.
  - ❑ 4.9% Energy Savings - ~\$110,000
- ✓ Maintenance and Repair Savings Reduced Control Board Replacement Alone
  - ❑ ~\$160,000
- ✓ ESG position enabled a 2% rent increase increasing Net Operating Income
  - ❑ ~\$500,000
- ✓ Utility Incentive under C&I Customer Measures Program
  - ✓ ~\$100,000
- ✓ Fewer Tenant Complaints
- ✓ Qualified for accelerated first-year tax depreciation resulting in significant tax savings
- ✓ Average Return on Investment (ROI) – over 15%

50% Reduction VFD Trips	25% Reduction Lighting Failures
80% Reduction Control Board Failures	80% Reduction Elevator Entrapments
70% Reduction Sensor Failures	50% Reduction Motor / Pump Failures





# Sample of Recent Results

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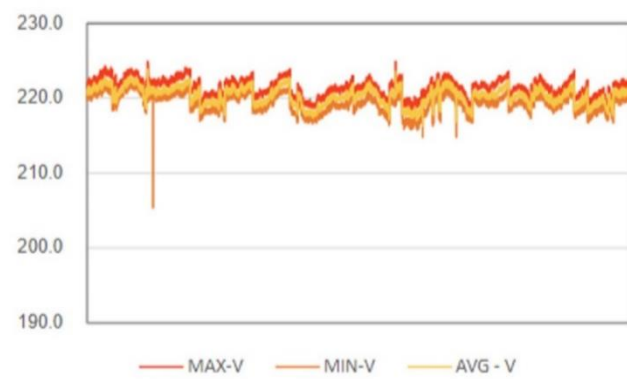




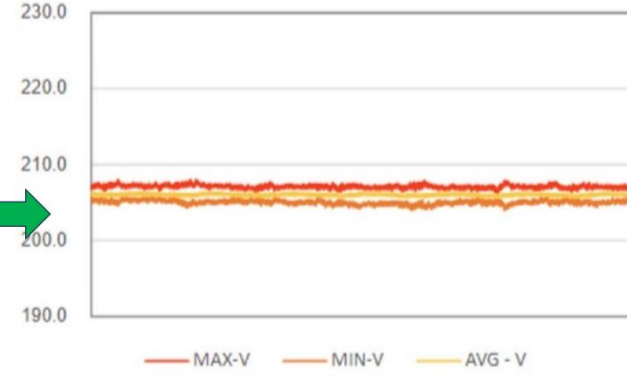
Baseline Measurement- Pre & Post Installation

Measurement	Baseline	Achieved
Overall Power Quality Index	5.2	9.0
Risk of Premature Failure	16-23%	4-6%
Anticipated Number of Significant Annual Voltage Fluctuation Events	132	0
Energy Savings kWh %	4%	5%

SmartGATE OFF (In Bypass)



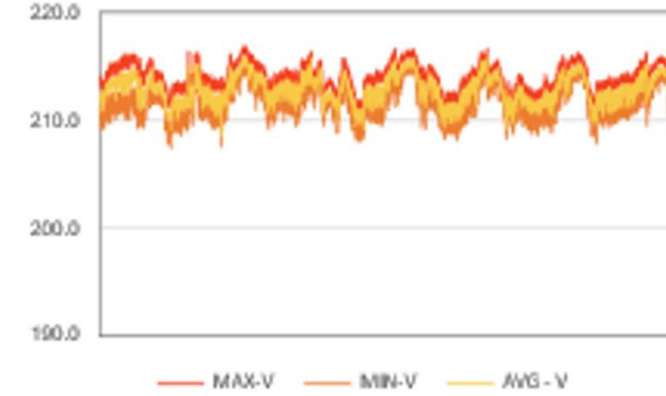
SmartGATE ON (Active)



Baseline Measurement- Pre & Post Installation

Measurement	Baseline	Achieved
Overall Power Quality Index	5.1	9.2
Risk of Premature Failure	16-23%	4-6%
Anticipated Number of Significant Annual Voltage Fluctuation Events	127	0
Energy Savings kWh %	4%	6.3%

SmartGATE OFF (In Bypass)



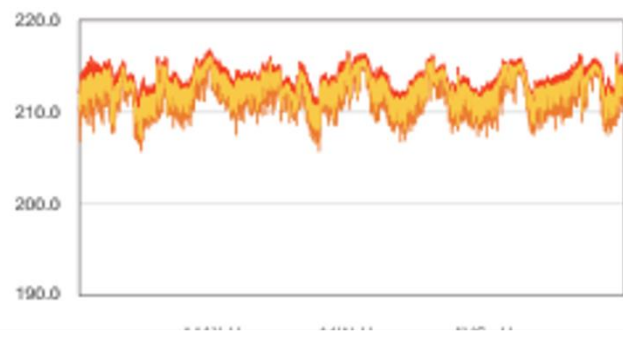
SmartGATE ON (Active)



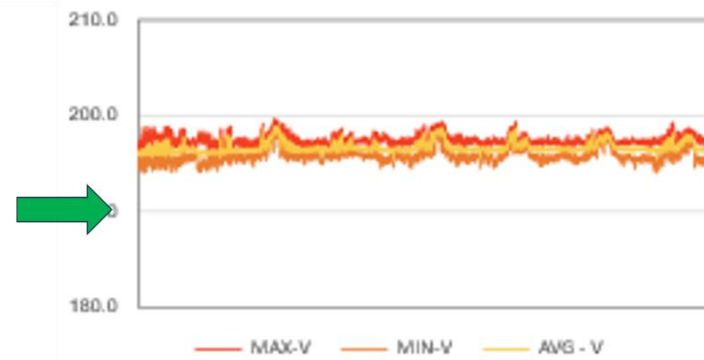
Baseline Measurement- Pre & Post Installation

Measurement	Baseline	Achieved
Overall Power Quality Index	5.2	9.61
Risk of Premature Failure	15-22%	3-4%
Anticipated Number of Significant Annual Voltage Fluctuation Events	255	0
Energy Savings kWh %	4%	7.6%

SmartGATE OFF (In Bypass)



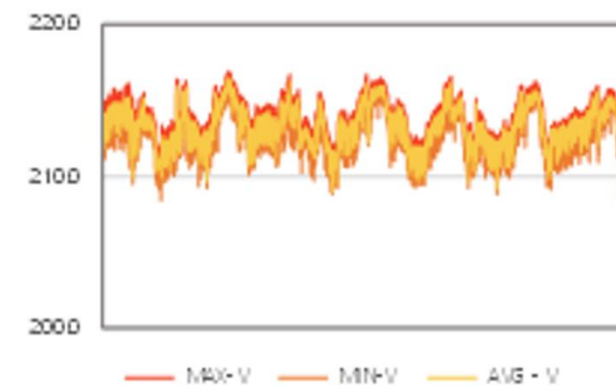
SmartGATE ON (Active)



Baseline Measurement- Pre & Post Installation

Measurement	Baseline	Achieved
Overall Power Quality Index	5.2	9.0
Risk of Premature Failure	16-23%	3-5%
Anticipated Number of Significant Annual Voltage Fluctuation Events	23	0
Energy Savings kWh %	4%	6.3%

SmartGATE OFF (In Bypass)



SmartGATE ON (Active)



# Detailed Segment Analysis

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# Market Outlook Overview for Legend Power SmartGATE in Large Multifamily Real Estate Companies in North America:

## Introduction:

As the multifamily real estate industry prioritizes sustainability and energy efficiency, SmartGATE offers a tailored solution to optimize energy consumption, reduce costs, and enhance overall operational efficiency while increasing tenant satisfaction.

## Market Trends and Drivers:

**Sustainability Goals:** Multifamily real estate companies are increasingly adopting sustainability goals and seeking ways to minimize their carbon footprint. SmartGATE aligns with these objectives by optimizing energy usage and reducing overall energy consumption. Additionally, focusing on and preparing for renewable energy expansion is a key driver in this segment.

**Rising Energy Volatility and Energy Costs:** The volatile nature of energy is a major concern for real estate companies. SmartGATE's ability to identify and mitigate power quality issues helps stabilize energy and operating costs, providing financial benefits over the long term. Multifamily Residential facilities depend on major building systems, Like HVAC, Elevators, Lighting, and Life / Safety, for tenant satisfaction. These systems are very susceptible to malfunction/failure for power-related volatility.

**Regulatory Compliance:** Stringent energy efficiency regulations and building codes are becoming more prevalent. SmartGATE assists real estate companies in complying with these regulations, avoiding penalties, and improving their overall environmental impact.

## Market Challenges:

**Initial Investment:** The upfront cost of implementing SmartGATE may be a consideration for some real estate companies. However, the long-term benefits and return on investment make it a worthwhile consideration. Positively impacting energy and other operating costs can increase net operating income and, ultimately, property value.

**Educational Efforts:** Real estate professionals may need education on the benefits and functionality of SmartGATE. Effective marketing and training efforts are crucial to overcoming any potential resistance to adoption.





# Market Outlook Overview for Legend Power SmartGATE in Large Multifamily Real Estate Companies in North America:

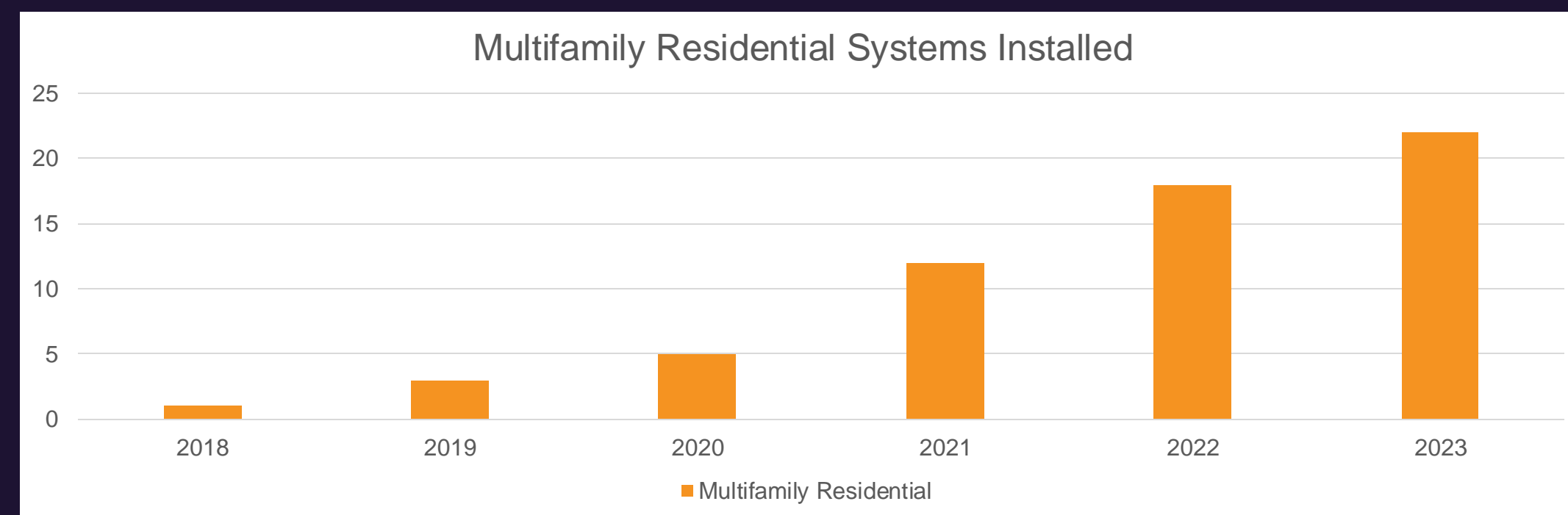
## Outlook:

The market outlook for Legend Power SmartGATE in large multifamily real estate companies in North America is promising. As the industry places greater emphasis on sustainability, energy efficiency, and cost reduction, SmartGATE addresses these needs effectively.

Legend Power Systems' strategy includes strategic partnerships with key players in the real estate industry, targeted marketing campaigns highlighting the long-term financial and environmental benefits, and ongoing support and training programs to ensure the successful adoption and utilization of SmartGATE within the market. By aligning with industry trends and addressing the evolving needs of large multifamily real estate companies, Legend Power is positioning itself as the leader in the Active Power Management space.

## Addressable Market:

It is estimated that there are over 100,000 large multifamily properties, and thousands more are added each year. Each of these large properties could benefit from one to two SmartGATEs. This supports a potential total addressable market north of \$5b for the Multifamily Residential segment for Legend Power Systems SmartGATE.



## LPS Multifamily Residential Results

- 90+ SmartGATE Systems installed in Multifamily Buildings
- 5.2% Energy Savings
- 99.8% of voltage fluctuations eliminated
- Up to 60% Reduction in related maintenance and repair costs
- Maintenance and Repair savings range from 50% to 200% of energy savings
- Current Multifamily Pipeline north of \$50m

# Market Outlook Overview for Legend Power SmartGATE in Large Federal Market in US:

## Introduction:

SmartGATE, developed by Legend Power Systems, is a cutting-edge solution that addresses critical challenges in the US Federal Market, particularly in the context of grid decarbonization. As the nation strives towards a sustainable energy future, the demand for innovative technologies like SmartGATE becomes paramount in ensuring power grid stability and efficiency.

## Market Trends and Drivers:

The US Federal Market is witnessing a significant shift towards renewable energy sources and grid decarbonization. This transition is driven by a combination of environmental concerns, regulatory initiatives, and a growing awareness of the need for sustainable practices. As more federal agencies adopt clean energy solutions, the demand for technologies that enhance power grid stability is on the rise.

SmartGATE aligns with this trend by offering a solution that optimizes power quality and minimizes energy waste. Its adaptive capabilities cater to the evolving energy landscape, ensuring seamless integration with renewable sources while maintaining grid stability. The emphasis on energy efficiency and sustainability acts as a key driver for the adoption of SmartGATE within the federal sector.

**Regulatory Compliance:** Stringent energy efficiency regulations and building codes are becoming more prevalent. SmartGATE assists real estate companies in complying with these regulations, avoiding penalties, and improving their overall environmental impact.

## Market Challenges:

Despite the promising prospects, the US Federal Market faces several challenges in the journey towards grid decarbonization. One major hurdle is the complexity of integrating diverse energy sources into the existing infrastructure. The variability of renewable energy generation poses challenges to grid stability, requiring sophisticated solutions to balance supply and demand.

SmartGATE addresses these challenges by providing real-time monitoring and control features. However, market challenges also include budget constraints and the need for comprehensive policy frameworks to incentivize the adoption of innovative technologies. Overcoming these hurdles is crucial for the widespread implementation of SmartGATE in the federal sector.





# Market Outlook Overview for Legend Power SmartGATE in Large Federal Market in US:

## Outlook:

The outlook for SmartGATE in the US Federal Market is optimistic. With an increasing focus on sustainability and grid decarbonization, the demand for intelligent power management solutions is expected to grow. SmartGATE's ability to enhance power quality, reduce energy consumption, and contribute to grid stability positions it as a strategic asset for federal agencies aiming to meet their clean energy goals.

As technology continues to advance and regulatory support strengthens, SmartGATE is poised to play a pivotal role in shaping the future of energy management in the federal sector. The collaboration between Legend Power Systems and federal agencies can drive innovation, promote sustainability, and contribute to a resilient and efficient power grid for the United States.

## Addressable Market:

The US Federal Government owns/operates almost four billion square feet of facilities. If only 50% of the facilities are applicable for SmartGATE, that places the addressable market at eight thousand SmartGATEs for addressable market north of \$10b USD.

Legend Power Systems was one of eight companies selected out of over 300 applicants for the Green Proving Ground

The US GSA is estimated to be spending north of \$1M on SmartGATE deployment strategy led by Oak Ridge National Labs



## LPS Federal Results

- First site selected and system installation in progress
- Second site identified and under validation
- Identified 5 new opportunities during site selection process
- Oak Ridge National Labs engaged to develop broad deployment recommendations and metrics



# Market Outlook Overview for Legend Power SmartGATE in Large MUSH and ESCO Market:

## Introduction:

SmartGATE, developed by Legend Power Systems, emerges as a transformative solution within the US MUSH (Municipalities, Universities, Schools, and Hospitals) Market and ESCO (Energy Service Company) Performance Contracting. With a strategic focus on grid decarbonization and the consequential challenges to power grid stability, SmartGATE presents itself as a pivotal technology in enhancing energy efficiency and sustainability in these sectors.

## Market Trends and Drivers:

The MUSH Market and ESCO Performance Contracting are witnessing a growing commitment to environmental responsibility, leading to increased adoption of energy efficiency measures. As these entities aim to reduce their carbon footprint, SmartGATE becomes a compelling choice due to its ability to optimize power quality, mitigate energy waste, and ensure grid stability.

The key drivers in this market include stringent energy efficiency goals, regulatory incentives, and a recognition of the economic benefits associated with reduced energy consumption. SmartGATE aligns with these trends by offering a comprehensive solution that not only addresses grid decarbonization concerns but also contributes to cost savings through enhanced energy management.





# Market Outlook Overview for Legend Power SmartGATE in Large MUSH and ESCO Market:

## Market Challenges:

While the market trends are promising, challenges persist in the MUSH Market and ESCO Performance Contracting. The diverse nature of these entities, each with unique energy profiles and infrastructure, poses a challenge for standardization. Additionally, financial constraints and the need for convincing business cases hinder the widespread adoption of innovative technologies like SmartGATE.

## Addressable Market:

The Energy Performance Contracting in the US is a US\$10-15B a year segment. The industry average is around US\$10M contracts in which the SmartGATE could represent a \$750k to \$1M potential. This represents an annual potential of USD\$750M to US\$1B market annually with a US\$15 to US\$20B total addressable market over a 20-year period.

