Ultralife Corporation

Investor Presentation

Michael E. Manna
PRESIDENT & CEO

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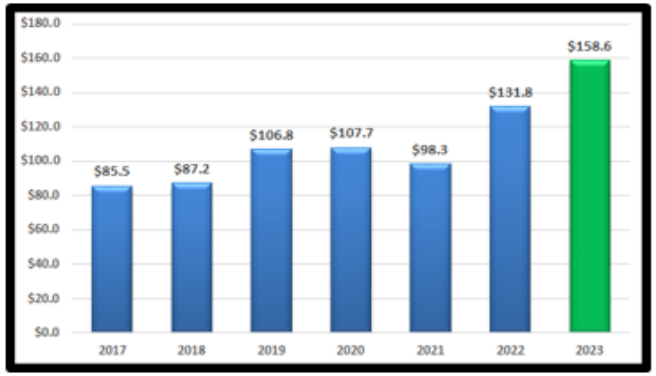
CFO & TREASURER

Updated Feb 15th, 2024

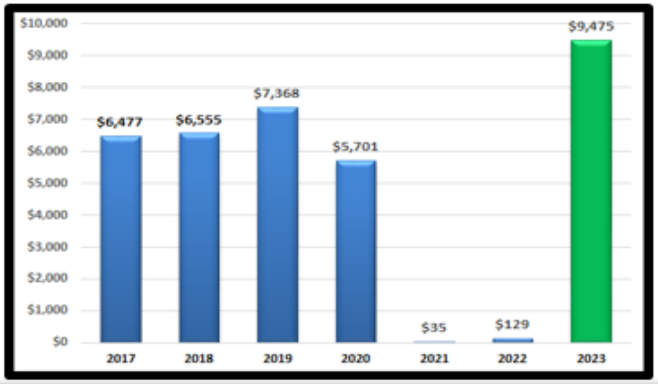
REVENUE
(TTM $/Millions)

Revenue Backlog Represents ~ 65% of TTM Sales



OPERATING PROFIT
(TTM $/000s)

Post-Covid Rebound; Business Model Leverage



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IMPORTANT REMINDER – FORWARD LOOKING STATEMENTS

- This presentation may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties.
- The Company cautions investors not to place undue reliance on forward-looking statements, which reflect the Company's analysis only as of today's date.
- The Company undertakes no obligation to publicly update forward looking statements to reflect subsequent events or circumstances.
- Further information on these factors and other factors that could affect the Company's financial results is included in the Company's Securities & Exchange Commission (SEC) filings, including the latest Annual Report on Form 10-K.

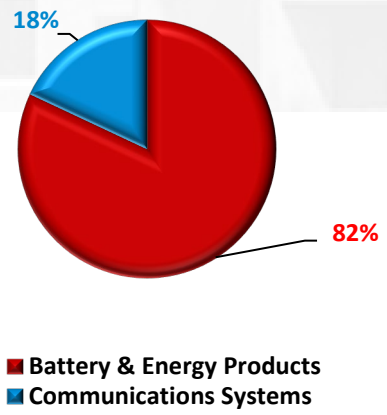
BUSINESS OVERVIEW

An Industry Leader in Designing, Developing and Manufacturing Portable Power Solutions and Communications Systems for Our Global Commercial & Defense Customers That Provide The Highest Performance, Safety and Reliability for Their Critical Applications

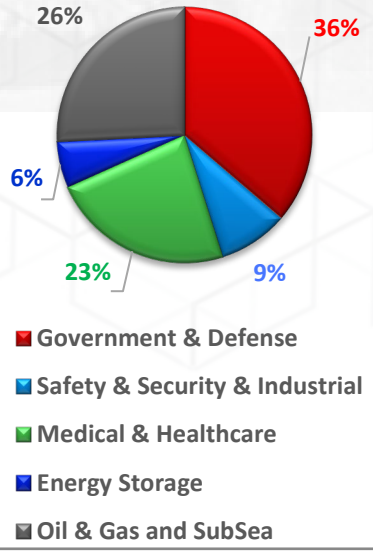
History & Background

- Founded in 1991; NASDAQ - ULBI
- Headquarters - Newark, NY
- Employees – 525
- Business Segments:
  - Battery & Energy Products
  - Communications Systems
- Strategic Business Locations in N. America, China and UK
- 2023 Revenues: $159M
- Current Backlog: $104M
- Backlog % of TTM Sales: 65%
- Book Value/Share: $7.67

Revenue Mix TTM by Business Segment



Revenues TTM by Market Segment



TWO GROWTH BUSINESSES SERVING DIVERSE GLOBAL MARKETS WITH MISSION CRITICAL PRODUCTS

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INVESTMENT HIGHLIGHTS

POSITIONED TO GROW WITH INNOVATIVE PRODUCTS FOR MISSION-CRITICAL APPLICATIONS

- Product Portfolio of Innovative "Designed-In" Integrated Solutions Ground in Military Heritage ("Failure is Not an Option")
- Strong New Product Pipeline Reflecting Collaborative Relationships with Commercial OEM's, Defense Primes and Special Forces
- Government/Defense IDIQ Awards, Including Conformal Wearable Battery (CWB), In-Hand for Future Sales Potential
- Transition of Several Transformational New Products to Revenue Generation in 2023 – Medical Cart Batteries, ER, Thin Cell, 3-V

GROWTH STRATEGY FOCUS ON DIVERSE END-MARKETS, GEOGRAPHIC EXPANSION & ACCRETIVE M&A

- Commercial Diversification into High-Growth End-Markets to Cushion Government/Defense Cyclicality & Sustain Growth
- Commercial Sales Have More Than Doubled in Last Five Years, Now Comprise 64% of 2023 Sales
- Medical Device OEM Sales Have Increased Over Ten-Fold in Last 8 Years, Now Comprise 23% of Total 2023 Sales
- Transformational New Products Aligned with High-Growth Global Markets - IOT, Medical, Metering, Robotics, SubSea
- Supplement Organic Growth with Selective/Accretive M&A to Expedite Entry into Key Commercial Markets

HIGHLY LEVERAGEABLE/SCALABLE BUSINESS MODEL

- Well-Positioned to Double or Triple in Size with Experienced Executives, Sales & Engineering Talent and Strategic Locations
- Leverageable Business Model with Backlog Exiting 2023 Representing Over 65% of TTM Sales

HIGHLY EFFICIENT CASH CONVERSION PROVIDING AMPLE LIQUIDITY TO FUND GROWTH

- Operating Performance Has Delivered EBITDA of Almost $16M in 2023 Representing 10% of Sales
- Solid Generation of Cash to Fund NPD & Strategic Cap-Ex and Pay-Off Acquisition Debt in 3 Years; U.S. NOL's of ~ $40M

SIGNIFICANT BOARD & MANAGEMENT OWNERSHIP (40%)

SOLID FOUNDATION FOR SIGNIFICANTLY BUILDING AND SUSTAINING SHAREHOLDER VALUE

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GROWTH STRATEGY

STRATEGY	FOCUS
Diversify Revenues Outside Core US G/D Markets And Focus On Transformational Commercial Opportunities	➢ Expand Sales Reach & Market Access ➢ Medical, IoT, Safety & Security, Asset Tracking, Oil & Gas, Subsea Electrification ➢ Utilize Global Platform to Accelerate Growth
Invest in New Product Development to Expand Organic Growth Opportunities and Uphold Product Relevance	➢ Close Collaboration with Customers to Develop New Products and Evolve Existing Products to Improve Competitive Advantage ➢ Continue Multi-Generational Product Planning
Accelerate Growth with Collaborative OEM Strategic Partnerships and Methodical Pursuit of Acquisitions	➢ Large OEM Programs – G/D and Commercial ➢ Acquire Complementary Businesses to Expand Technology, Reach, Capabilities and Scale
Adhere to Strong Operational Management Principles ("30-5-5-10=10")	➢ Deployment of Lean Initiatives Worldwide ➢ Integrated Global Supply Chain ➢ Continuous Improvement Projects
Efficiently Deploy Capital	➢ New Product Development ➢ Strategic Cap-Ex Enhancing Competitiveness ➢ Accretive M&A ➢ Share Repurchases

ORGANIC REVENUE GROWTH SUPPLEMENTED BY ACQUISITIONS TO ACHIEVE DOUBLE DIGIT GROWTH

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GLOBAL LOCATIONS

ULTRALIFE®

HEADQUARTERS &
BATTERY & ENERGY PRODUCTS
Newark, New York
280,000 Sq. Ft.
ISO 9001; 14001 & 13485 Certified
170 Employees

accutronics
AN ULTRALIFE COMPANY

Staffordshire, UK
25,000 Sq. Ft.
ISO 9001 & 13485 Certified
60 Employees

EXCELL BATTERY GROUP
AN ULTRALIFE COMPANY

Vancouver, Calgary, Toronto, Houston
ISO 9001 & 13485 Certified
80 Employees

ULTRALIFE INDIA JOINT VENTURE

Bangalore, India
10 Employees

SWE
SOUTHWEST ELECTRONIC ENERGY GROUP
AN ULTRALIFE COMPANY

Missouri City, TX
70,000 Sq. Ft.
ISO 9001 & 13485 Certified
35 Employees

ULTRALIFE COMMUNICATIONS SYSTEMS

Virginia Beach, VA
35,000 Sq. Ft.
ISO 9001 Certified
30 Employees

ABLE®
AN ULTRALIFE COMPANY

Shenzhen, China
100,000 Sq. Ft.
ISO 9001; 14001 & 13485 Certified
140 Employees

STRATEGIC LOCATIONS IN AMERICAS, EUROPE & ASIA
IDEALLY POSITIONED TO SERVICE GLOBAL CUSTOMERS

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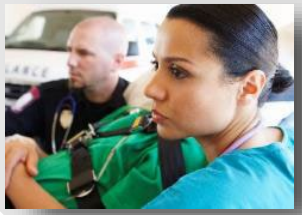
BATTERY AND ENERGY PRODUCTS

DIVERSE GLOBAL MARKETS SERVED



MEDICAL & HEALTHCARE – *23% of 2023 Revenues*

Applications Include – Power for Medical Carts, Portable Ventilators, Respirators/PAPR, Delivery Pumps & Devices, AED's, EEG/ECG Monitors, Ultrasound & CPAP/BIPAP, Remote Patient Monitoring, Surgical Drills & Tools, Digital X-Ray Imaging, Blood Analyzers

GOVERNMENT & DEFENSE – *36% 2023 Revenues*

Applications Include - Soldier Worn Power for Communications, Centralized Power & Distribution, Portable & Vehicle Based Chargers, Emergency Rescue Power, RF Amplifiers, Integrated Communications Systems and Accessories

OIL & GAS AND OCEANOGRAPHIC – *26% of 2023 Revenues*

Applications Include – Measurement While Drilling; Logging While Drilling; Pipeline Inspection; Subsea Electrification & Well Production; Autonomous, Manned & Remote Underwater Vehicles; Multi-Utility Vehicles; Buoys; Platform Power; Remote Monitoring

SAFETY, SECURITY & INDUSTRIAL – *9% of 2023 Revenues*

Applications Include – Power for Smoke/Carbon Monoxide Detectors, Smart Metering, Intrusion Detection Systems, Toll Pass & Telemetry, Asset Tracking/RFID, Emergency Lighting and Beacons, Wireless Motion Detectors, Internet of Things (IoT) Devices, Robotics, Rugged Computers

ENERGY STORAGE – *6% of 2023 Revenues*

Applications Include – Power for Stand-By Power, Remote Locations, First Responders/Disaster Relief, Forward Operating Bases, Military Telecom, Construction Sites, Marine

HUGE ADDRESSABLE MARKETS DEMANDING ADVANCED, HIGHEST QUALITY POWER AND COMMUNICATIONS SOLUTIONS

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PRODUCT PORTFOLIO - BATTERY & ENERGY PRODUCTS

Government & Defense

Ultralife's Batteries, Chargers & Accessories Are Specifically Designed To Remain Reliable Under The Toughest Conditions And Built To Withstand The Harsh Environments Often Found In Military Combat

PRIMARY & RECHARGEABLE BATTERIES
5390's, 2590's, Hybrid CFx, Conformal, Land Warrior

CHARGERS
2-Bay, Desktop, 12-Bay

Safety, Security & Industrial

30 Years Of Proven Performance Under Pressure In The Most Critical Situations And Hazardous Conditions

9 VOLT
Over 100 Million Units Sold Worldwide

CYLINDRICAL CELLS
CR, XR & ER Cells Sizes from 1/2AA–D Cell

THINCELL
Over 20 UL Certified ThinCell Models Available Off-The-Shelf

Ultralife Manufactures Lithium Manganese Dioxide, Lithium Carbon Monofluoride / Manganese Dioxide Blend & Lithium Thionyl Chloride Cell Chemistries

Energy Storage

Energy Solutions That Provide Fuel Savings, Emissions Reduction And Operating Reliability For A Variety Of Applications, Including Subsea And Downhole Applications

MULTI-KILOWATT MODULES

SUBSEA MODULES

LEAD ACID REPLACEMENT
6V & 12V Models Available

ACCUTRONICS
Intelligent Power Vault

Medical

Ultralife's Medical Batteries & Power Systems Provide Maximum Safety And Reliability In Critical, Life-Saving Situations

MEDICAL CART POWER SOLUTIONS

CUSTOM MEDICAL BATTERIES

ACCUTRONICS
CMX Series Batteries
(Multiple IEC62133 Certified Versions Available Off-The-Shelf)

GROWING PORTFOLIO OF COMPLEX LITHIUM POWER SOLUTIONS GENERATING LONG-LIFE CONTRACTS

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PRODUCT PORTFOLIO – COMMUNICATION SYSTEMS

20 and 50/75-Watt Amplifiers

Ultralife Delivers Man-portable And Vehicle Amplifiers Supporting All Modern & Legacy Waveforms In Multiple Variants For Specific Mission Sets

A-320V3 /V3A
30-512 MHz Amplifier (Supports ANW2 ™, SRW, and \Legacy Waveforms)

A-7500
75-Watt Multimode Amplifier (Supports ASCM, ANW2 ™, SRW, and Legacy Waveforms)

Integrated Systems

Ultralife Offers Integrated Systems To Support A Wide Range Of Handheld, Manpack Radios and Tactical Servers

Leader Radio System
Vehicle Amplifier-Adaptor

EL8000 Cases & UPS
System Integration of EL8000 Server

A-320HVA
Handheld Vehicle Adaptor
**Amplifier sold separately*

LPAS-320U
Lightweight Portable Amplification System

MRC-UVA
Universal Vehicle Adaptor

MRC-UVA V1
Universal Vehicle Adaptor - Two Channel Radio

Power Supplies & Accessories

Ultralife Offers A Power Supply & Accessory For Nearly Every Transceiver In Use Today By The U.S. Department of Defense

MRC-93
Lithium-Ion

MRC-UPU0006
AN/PRC-117G

MRC-185
ROVER III & IV

A-301-150
Satellite Radio Combiner

MRC-67A
Amplified Speaker

MISSION CRITICAL, RADIO AGNOSTIC ADVANCED RF AND INTEGRATED SYSTEMS SOLUTIONS VITAL TO DEFENSE OF US AND ALLIES

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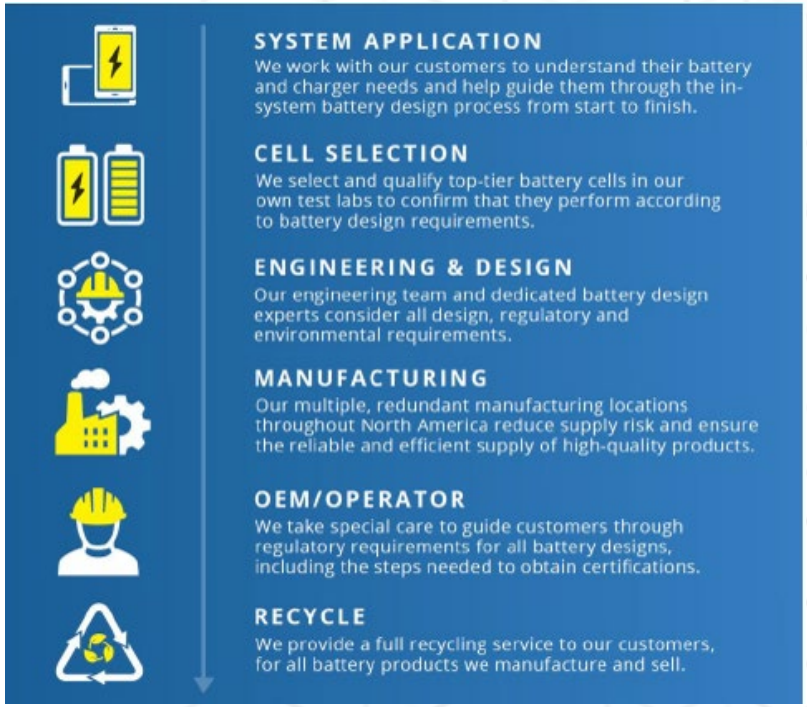
EXPANDED BATTERY & ENERGY PRODUCTS

EXCELL BATTERY GROUP

ACQUISITION –DECEMBER 13, 2021

- **"Excell" is a Canada–Based Leading Designer and Manufacturer of High-Performance Smart Battery Systems, Battery Packs & Monitoring Systems to Customer Specifications Serving Industrial Markets Including Oil & Gas, OEM Industrial & Medical Devices, Automated Meter Reading, and Mining, Marine & Other Mission Critical Applications**
- **Strong Strategic Fit with Ultralife:**
  - Provides Scale to B&EP Business to Drive Operating Leverage of Business Model
  - Furthers Commercial Diversification Strategy
  - Complementary Line of Highly Engineered, Mission Critical, Differentiated Products
  - Expedites Access to Unserved OEM Device Verticals
  - Significant Experienced Technical Talent – Engineering & NPD Ideal for Global Synergies
  - Strong Reputation Depicting Safety, Service, Quality & Reliability
  - Well Run Business, Innovative Culture, Strong Management Team



Modular Battery Systems

STRATEGIC AND FINANCIAL FIT PROVIDING ENG & NPD SYNERGIES

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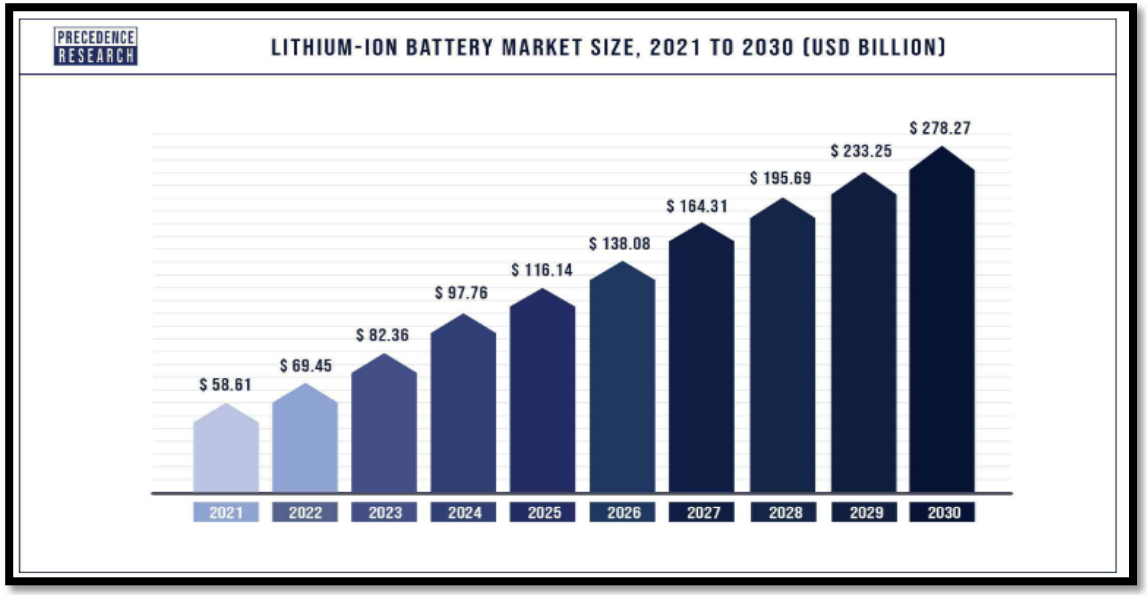
INDUSTRY GROWTH TRENDS

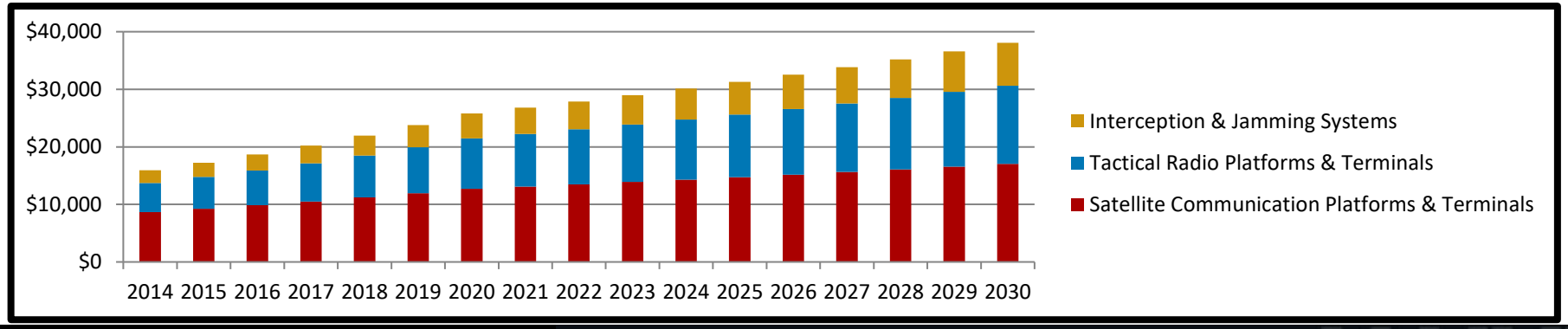
Global Lithium-Ion Battery Forecasted Growth 2022 – 2030: from $69B in 2022 to $278B in 2030; 19% CAGR

Growth forecasted across all major end markets including Automotive, Industrial, Medical, Consumer Electronics, Energy Storage, Safety & Security, Government & Defense



Global Military Communications Revenue by Primary Submarkets: 2015-2030

*With a global revenue value of over $28B in 2022, these primary military communications sectors form one of the fastest growth markets in the defense industry value chain…**Projected to grow to over $41B by 2032***



APPEALING LONG-TERM INDUSTRY GROWTH PROJECTIONS FOR BOTH BUSINESS SEGMENTS

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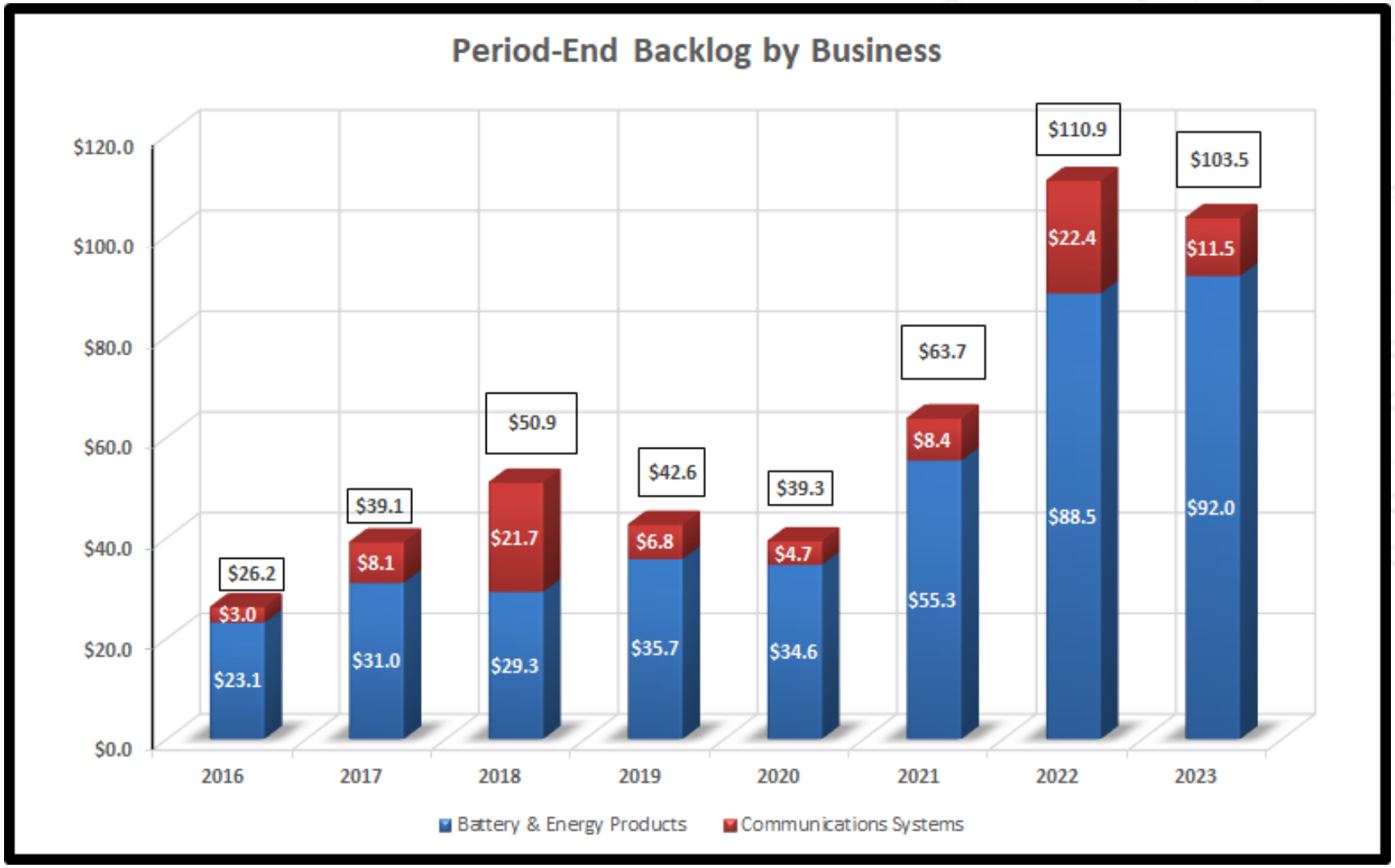
Backlog Trends by Business



SURGING DEMAND REFLECTED IN BACKLOG WHICH IS DIVERSE IN NATURE ACROSS COMMERCIAL & GOVERNMENT/DEFENSE MARKETS

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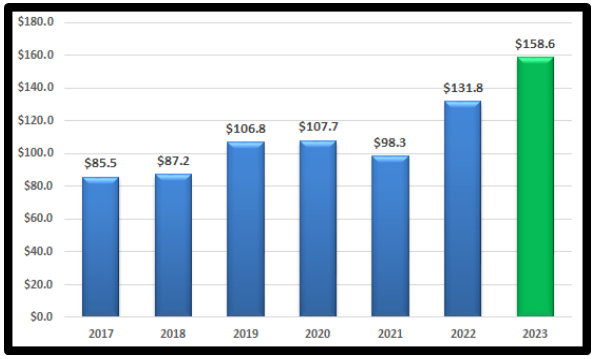
HIGHLY LEVERAGABLE BUSINESS MODEL

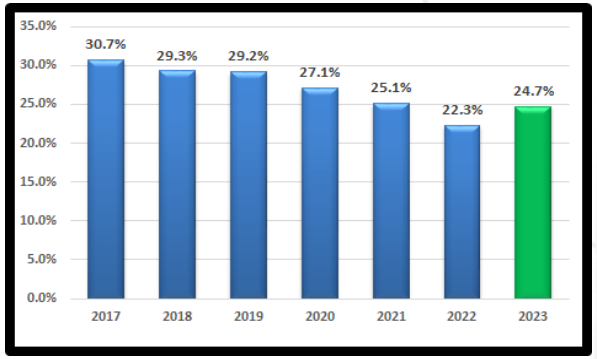
REVENUE
(TTM $/Millions)

Revenue Backlog Represents ~ 65% of TTM Sales



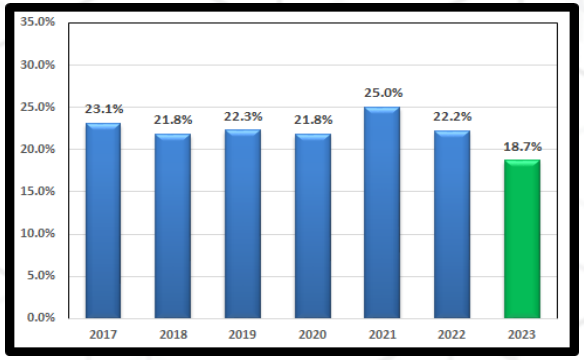
GROSS MARGIN
(TTM Percent)

Rebound Commences Post-COVID/Supply Chain Disruptions & Transition of New Products to Mfg.



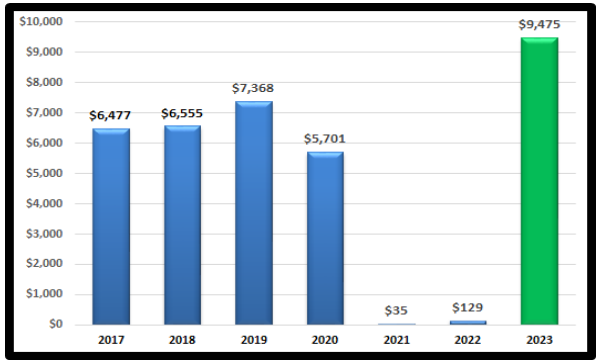
OPERATING EXPENSES
(TTM Percent to Sales)

Investments in Transformational New Products; Leverage as Sales Base Grows



OPERATING PROFIT
(TTM $/000s)

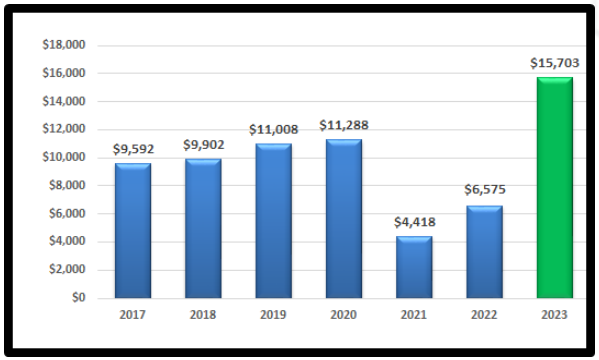
Post-Covid Rebound; Business Model Leverage



2022 Includes a $.8M One-Time Charge for Severance Relating to Company's Former President & CEO; 2023 Impacted by Cyber-Attack

ADJUSTED EBITDA
(TTM $/000s)

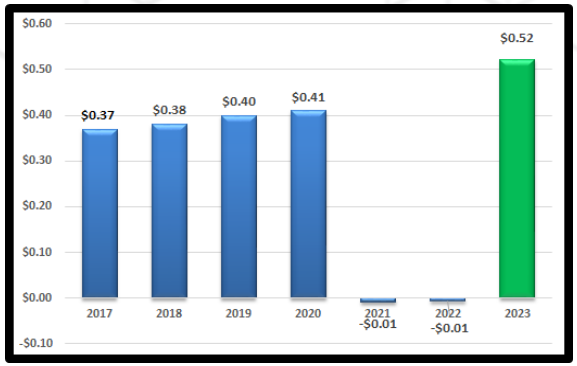
Cash Generation at Record Levels



TTM 2023 Impacted by Q1 Cyber-Attack and Includes ERC of $1.5M Recognized in Q2 2023

EARNINGS PER SHARE
(TTM $/Share)

2021/2022 Impact of COVID/Supply Chain



"Adjusted" EPS Reflects NOL Usage on U.S. Earnings Excludes One-Time Tax Benefits for 2017 ($.12) & 2018 ($1.17)

LEVERAGE THROUGH ORGANIC GROWTH, OPERATIONAL EFFICIENCIES, EXPENSE CONTROL & ACCRETIVE M&A

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STRONG FINANCIAL POSITION TO POWER GROWTH

($ Million)	2016	2017	2018	2019	2020	2021	2022	2023
Working Capital	$38.1	$47.7	$51.8	$53.2	$45.9	$47.6	$50.1	$66.5
Current Ratio	4.4	4.3	4.4	4.1	3.5	3.5	2.7	3.8
Working Capital (Less Cash) to Sales	33%	34%	30%	43%	33%	40%	34%	35%
Cash	$10.7	$18.3	$25.9	$7.4	$10.6	$8.4	$5.7	$10.3
Debt	$0	$0	$0	$17	$1.5	$20.9	$21.3	$25.6
Inventory	$23.5	$26.3	$22.8	$29.8	$28.3	$33.2	$41.2	$42.2
Cash Provided by EBITDA (TTM)	$7.5	$9.6	$9.9	$11.0	$11.3	$4.4	$6.6	$15.7

Solid Liquidity and Cash Generation to Fund Future Organic Revenue Growth, Strategic Capital Expenditures and M&A:

(1) Book Value of $7.67 Per Share and Tangible Net Book Value of $4.45 Per Share as of December 31, 2023
(2) 2023 Working Capital Increase Driven by Build in Cash ($4.6M) and Accounts Receivable ($4.0) and Decline in Accounts Payable/Accruals ($5.2M)
(3) Acquisition of Excell Battery Group on December 13, 2021 Funded through Cash-on-Hand ($4M) & Revolver/Term Loan ($20M)
(4) Cash-Flow Revolver with Key Bank Providing $30M Revolver with $20M Accordion Extended to May 2025
(5) S-3 Filing in 2021 for $100M Common Stock Earmarked for Large Strategic Acquisition or Transformational Capital Project
(6) SWE Acquisition in 2019 Debt Paid Off in Thirty-Two Months
(7) Acquisition of Southwest Electronic Energy Corp (SWE) on May 1, 2019 Funded through Cash-On-Hand ($7M) & Revolver/Term Loan ($18M)
(8) Acquisition of Accutronics in 2016 Funded Through Cash-On-Hand - $11.2M
(9) Share Repurchase Programs – 2018 - 2019 Program (.4M Shares/$2.7M) & 2014 – 2016 Program (2.6M Shares/$10.6M) Internally Funded

EFFICIENT CASH CONVERSION PROVIDING LIQUIDITY FOR INTERNAL AND EXTERNAL GROWTH

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CURRENT GROWTH INITIATIVES

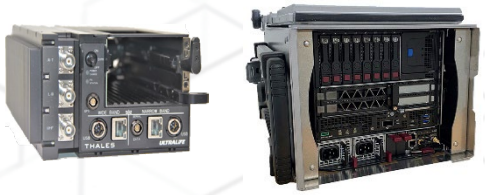
LAUNCH OF KEY NEW PRODUCTS ACROSS A WIDENING CUSTOMER BASE

- Transformational Battery Opportunities - Medical, Metering, Robotics, Subsea & Thin Cell, IOT
- Advanced RF & Integrated Communications Systems Solutions Vital to Our Defense with Potential Applications Extending to High-Growth Commercial Markets w/ Global Players

ROW MEDICAL THROUGH RELATIONSHIPS WITH GLOBAL OEM'S

- Utilize Global Footprint and Proven Reliability Demonstrated During COVID-19 Surge to Increase Activity with Power Solutions to Support Advanced Medical Applications

AGGRESSIVELY PURSUE LARGE MULTI-YEAR PROGRAM WINS AND FOLLOW-ON ORDERS TO VEHICLE AMPLIFIER-ADAPTOR PROGRAMS



- Increase Major Program Opportunities Via Strong Relationships with Major Defense OEM's
- Complete First Article Testing for Conformal Wearable Batteries IDIQ Enabling PO's

GLOBALIZE SALES, NEW PRODUCT DEVELOPMENT & SOURCING CAPABILITIES

- Capitalize on Worldwide Synergies Between US Locations, CAD, UK and China – Cross-Training Sales Teams; Excell/SWE ISO 13485 Certification (Medical); China Medical Battery Pack Assembly

SUPPLEMENT ORGANIC GROWTH WITH ACCRETIVE M&A

- Follow-Up to Excell (2021), Southwest Electronic Energy Corp (2019) and Accutronics (2016)

Modular Battery Systems

CEO CONTINUES TO BUILD STRONG REALTIONSHIPS WITH CUSTOMERS

- Continue to Build and Foster Long-Term Relationships/Partnerships at the Highest Levels

DISCIPLINED EXECUTION - PERFORMANCE CULTURE, CLEAR STRATEGIES & PRIORITIES, LINE OF SIGHT LEADERSHIP, ACCOUNTABILITY

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GOING FORWARD: 2024 & ONWARD

VISION	REALIZATION
Through 2-3X GDP Organic Growth and M&A Provide Scale for Operating Leverage & Profitability Improvement	**Double Digit Revenue Growth and Operating Margin Rate; Rapid Scale-Up of Business** ➢ Successful Go–To Market Launches of New Products
Capitalize on New Revenue Streams to Fully Offset G&D Lumpiness and Sustain Growth	**New Products, Customers, Markets, Geographies** ➢ Further Commercial Diversification Including High Growth Emerging Markets Supporting Infrastructure and Electrification Initiatives
Continue Capture of Communications Systems Major Project Program Wins with Crossover into Commercial Markets	**Strategic Collaboration with OEM Primes to Harvest Long Cycle Program Opportunities** ➢ Transition from Amplifier Supplier to Integrated Amplifier Solutions to Custom System Integrator
Organic Growth Supplemented by Accretive Acquisitions	**Quickly Gain Scale/Leverage, Market Access, Technology, New Products, Skilled Resources** ➢ Expedited Access to Select High-Growth, Emerging, Commercial Markets
Capital Structure, Operating Cash Generation & Working Capital Management to Fund Organic Growth and Ongoing M&A	**Efficient Capital Deployment with Solid ROI; Leveraged Growth; Increased Market Multiples** ➢ Positioned to Realize Full Leverage Potential of Business Model with Growth & Gross Margin Actions

OVERARCHING GOAL – HIGHLY LEVERAGED GROWTH DRIVING 10%+ OPERATING MARGINS AND SUSTAINED STOCK ACCRETION

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EXECUTIVE ENTERPRISE EXPERTISE

MICHAEL E. MANNA

President & Chief Executive Officer, Director

- Appointed Ultralife President & CEO on November 22, 2022
- Joined the Company in 1993 and Has Held Numerous Leadership Roles of Increasing Responsibility in Engineering, Operations, Product Management, Research & Development and Sales
- Most Recently Served as President, Battery & Energy Products; Will Continue Leadership of This Segment
- Well-Recognized Expert in Rechargeable and Primary Battery Cell Design Across Multiple Chemistries in Both Commercial and Government/Defense Markets
- Awarded Several Patents for the Company; Key Member of Team That Delivered the First Lithium-Ion Polymer Cell to the Market

PHILIP A. FAIN

Chief Financial Officer & Treasurer

- Appointed Ultralife CFO & Treasurer in November 2009
- Vast Financial Experience in Restructuring and Building Profitable Global Companies through Organic Growth and M&A
- Strong Operational and Business Development Focus - VP of Finance – Ray Ban Sunoptics for Luxottica SpA, and Senior VP of Finance – Global Eyewear for Bausch & Lomb. Led Process to Acquire Some of the World's Most Sought-After Sunglass Companies and Brands
- Extensive Global Corporate Finance Background
- CPA – Arthur Andersen Audit & Consulting Services

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