

# Acorn Energy, Inc. - OTCQB: ACFN

## *Growing Base of Recurring, High Margin Remote Monitoring & Control Revenue*



*April 2025*

[www.acornenergy.com](http://www.acornenergy.com)

# Safe Harbor Statement

This presentation includes forward-looking statements, which are subject to risks and uncertainties. There is no assurance that the Company will be successful in growing its businesses; in reaching profitability; growing through acquisition; or in maximizing the value of OmniMetrix or any other of its assets. The Company has a history of operating losses and there is no assurance that it can attain and maintain profitability. This presentation includes projections regarding expected performance by OmniMetrix and the Company generally which are based on management's good faith estimates as to future performance and should not be taken as a guarantee of such performance. A complete discussion of the risks and uncertainties which may affect Acorn Energy and the businesses of its OmniMetrix subsidiary is included in "Item 1A. Risk Factors" in the Company's most recent Annual Report on Form 10-K as filed by the Company with the Securities and Exchange Commission.

## Non-GAAP Financial Measures

This presentation includes both GAAP and Non-GAAP financial and performance measures. The Company uses Enterprise Value as a measure of the value of the Company's business; it is calculated as the total market capitalization of the Company (common stock trading price multiplied by the shares outstanding less Cash). The Company uses EBITDA as a measure of performance; it is calculated as Net Loss plus Interest, Taxes, Depreciation and Amortization.

The non-GAAP financial measure used herein should be evaluated in conjunction with, and are not a substitute for, the GAAP financial information included in the financial statements filed by the Company with the Securities and Exchange Commission.

# Wireless Remote Monitoring & Control



- Acorn owns 99% of OmniMetrix which pioneered remote monitoring & control products/services for generators & gas pipelines
- High-margin monitoring + hardware sales = 70%+ gross margin
- Target 20% revenue growth in large underpenetrated markets
- Industry-leading “agnostic” technology/service delivers strong ROI
- Value proposition grows as personnel/travel costs & regulations grow
- Enabling ‘Demand Response’ electric Grid Relief from generators could double profitability on new monitoring contracts.

# At a Glance

## OTCQB

Recent Price

52-Week Range

Market Cap

- Cash (3/4/25)

**= Enterprise Value (EV)**

2025 Revenue

2026 Target Revenue (+20% annually)

**EV / Target Revenue**

**Industrial IoT M&A Valuations (1)**

## ACFN

\$ 16.00

\$ 7.00 - \$19.50

\$39.9M

\$ 2.8M

**\$37.1M**

\$ 11.0M

\$ 13.2M

**~2.8x**

**3-5x Revenue and higher**

- 1) Public comps (ADT, ALRM, BMI, DGII, GNRC, OSSIF, & ST) with less ARR and lower gross margins trade at an average EV/LTM revenue multiple of 4x. OSSIF recently was acquired for \$106M CDN net of cash or 12.5x revenue. Acquisition was priced 42% above prior-day closing price.
- 2) Insider Ownership ~35% of 2.5M shares.

# \$5.4M Cellphone Provider Contract

- Expanded contract for monitoring devices & services for cell tower backup generators across U.S.
- Now expect \$5.4M in total revenue for hardware sales, including first-year of monitoring
- Recorded \$1.7M in revenue in 2H 2024; balance of \$3.7M is expected in 2025
- Largest contract in OmniMetrix history
- Selection via rigorous competitive process by leading cellphone provider confirms value and strength of industry-leading solution.
- Award puts OmniMetrix in strong position for follow-on work and other large-scale deployments
- Expect recurring monitoring revenue in future years



# Wireless, Real-Time Monitoring and Control of Industrial Equipment

## Standby Generator & Compressor Monitoring



### Commercial/Industrial & Residential Monitors

- \* Replaces manual inspection
- \* Prevents fail to start events
- \* Generator status anywhere 24/7
- \* Secure, web-based management
- \* Can remotely start generator
- \* Enables Grid Demand Response

## Pipeline Cathodic Protection



### Rectifier & Test Station Monitors

- \* 24/7 monitoring extends pipeline life
- \* Instant alarm notifications
- \* Eliminates remote manual data collection and inspection
- \* Leverages cellular/satellite coverage

## New Product Solutions

### INTRODUCING OMNI & OMNIPRO: THE NEXT GENERATION OF OMNIMETRIX PRODUCTS

- Sleek, modern platform designed for flexibility, ease of installation & smaller footprint.
- OMNI replaces TrueGuard for next generation residential monitoring with 50 alarms & 50 parameters available including: Battery Voltage, Fuel Level, Coolant Status, Missed Exercise/ Alarms & more.
- OMNIPRO replaces TrueGuard Pro for next generation commercial applications with up to 1,000 alarms & parameters.

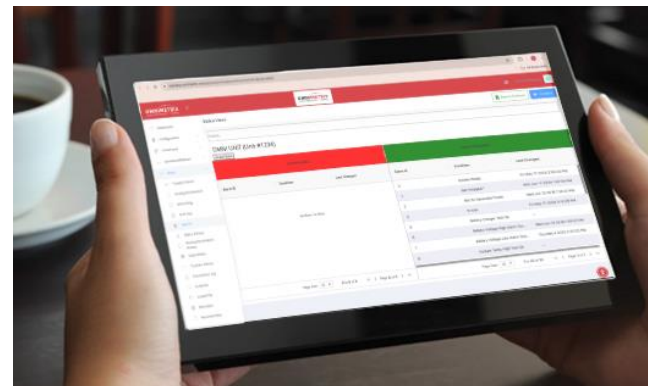
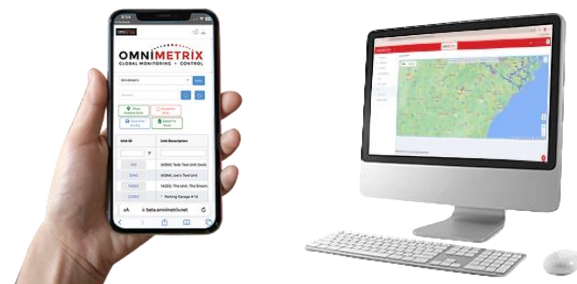
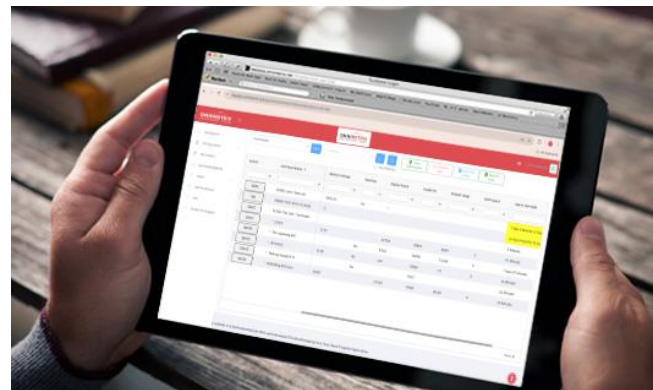




# OMNIVIEW

- See all monitors in one location
- Customizable home dashboard
- Email & text notifications for what you care about
- Schedule exercises or start/stop your generator from anywhere
- Compliance reporting available to meet local, state & federal requirements
- Air Quality Index integration
- MFA for extra security
- All-new OmniView App available for Apple & Android devices

## COMPLIANCE REPORTING TO MEET LOCAL, STATE & FEDERAL REQUIRE

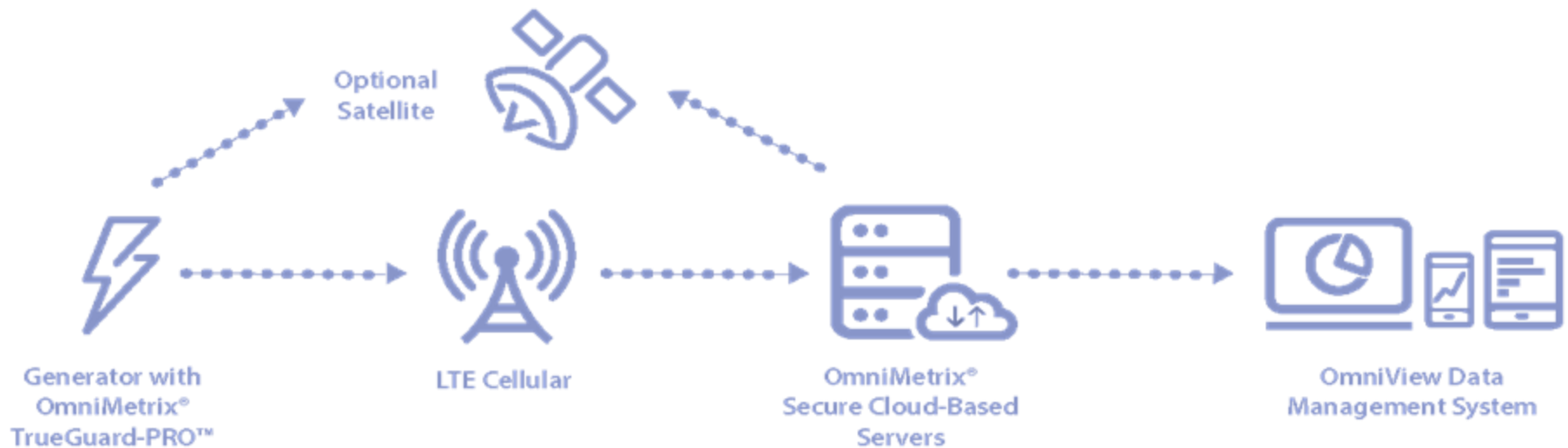




# Remote Monitoring Value-Add

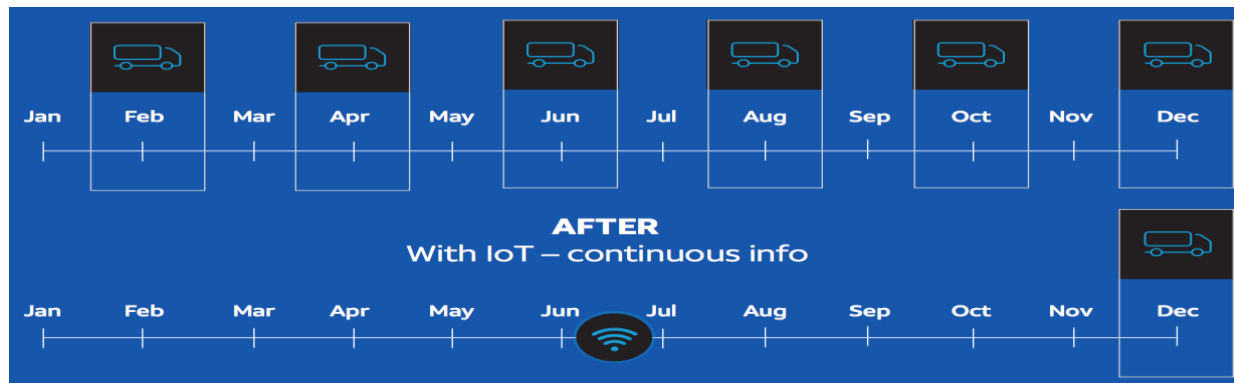
- Improves maintenance results and reduces critical asset downtime.
- Prevents 95% of generator “fail to start” events’ by tracking/reporting vitals: **Battery - Voltage - Fuel - Coolant - Oil**
- Less expensive & more effective than labor & travel of regular physical inspection – particularly with widespread remote assets.

## Generator Monitoring Illustration



# Remote Monitoring is Clean & Green

- Reduces travel-related emissions, costs and time.
  - Pipeline inspectors travel long distances every 2 months to visually inspect pipeline & equipment for damage & to comply with regulations.
  - Remote monitoring delivers 24/7 information.



- Average on-site generator inspection costs \$250-\$400 per site and finds 10% of generators in need of service.
- Provides insights to fine tune operations, drive efficiency and safety.

# Markets / Customers Served

## 25 Fortune 500 companies across:

- Oil & gas, utilities
- Grocery, retail
- Aerospace & defense
- Industrial, healthcare
- Insurance, automotive
- Telecommunications, financial institutions
- Hospitality, chemicals



## Other Clients:

- 100+ banks
- Transportation
- Real estate
- Federal, state, local governments - US & Canada
  - Military
  - 20+ police departments
  - 15+ fire departments



**FEMA**



# Growth Drivers

*Management targets 20% average annual revenue growth*

- **Clear ROI from lower costs and improved asset monitoring & control**
- **Growing awareness of monitoring benefits/ROI amidst rising costs**
  - With 4.2M generators and 10% in need of service, remote monitoring creates maintenance revenue for generator dealers
- **Regulatory compliance and reporting:**
  - US EPA, Air Quality Management Districts, National Fire Protection Assoc. & Calif. EPA Air Resources Board
  - Reporting: Maintenance, Location, Fuel Status, Usage & Emissions
- **Delayed infrastructure investments increase monitoring need**
  - Approx. 2.5M miles of U.S. gas pipeline (>50%) are over 50 years old;
  - Small % of these assets are monitored remotely
- **Expanding customer & partner base**
- **Ongoing Product, technology & service enhancements**
- **Electric Grid Demand Response** - turning on generators to meet peak power
- **New market opportunities** to monitor other industrial assets



California Environmental Protection Agency  
**Air Resources Board**

# Stand-by Generator Market Opportunity

- ~4.2M generators in North America (growing by 300k+ per year);
- Climate change is driving need and awareness:
  - 70% of power outages caused by weather events
  - Stronger storms + higher frequency of floods, droughts, wildfires and other severe weather
  - Growth in remote work expands need for reliable power.
- California Wildfires and energy grid issues are awakening a new market opportunity estimated as much of 50% of total generator replacement market, or \$1B over 10 years
- OmniMetrix is unique in being compatible with ALL generator brands
  - Dealers often prefer OmniMetrix due to features, quality, service, and ease of “one-stop” solution that protects their long-term service relationship.
  - Commercial & industrial businesses appreciate platform support for all of their generator brands



# Demand Response Opportunity

- Partnership with CPower Energy Management enabling standby generator owners to provide electric grid relief via “**Demand Response**” (DR) programs.
  - CPower manages ~6.7 GW of demand response capacity at 27,000+ sites across the U.S.
  - OmniMetrix’s wireless solutions activate and monitor generator activity in partnership with CPower’s national energy provider network.
- DR compensates users who agree to allow their generator to be automatically switched on to support the grid during peak demand.
  - **OmniMetrix could potentially double its profit per customer for each new enrolled DR customer.**
- DR compensation incentivizes deployments of next-generation, energy efficient standby generator equipment required for DR participation.
  - DR revenue streams benefit dealers, customers, energy providers and DR program providers.



# Competitive Barriers

## Strong Patent Portfolio:

- ✓ #11101580: Cathodic protection testing apparatus/methods w/ relay & bypass circuitry (RAD)
- ✓ #8763107: Cross-connected, server-based, IP-connected, point-to-point connectivity
- ✓ #8224499: Remote annunciator
- ✓ #8078861: Remote processor reprogramming (critical for software updates)
- ✓ #6747368: Wireless control of power transfer switches for electrical load management
- ✓ #6571093: Methods for providing extended wireless data transport services

## 27 Years of Industry Technology Leadership and Expertise:

- ✓ OmniMetrix pioneered remote generator monitoring
- ✓ Engineering, software development, trade secrets, industry reputation, etc.

## Next-Generation Solutions:

- ✓ Ongoing R&D to enhance solutions, expand capabilities and target new markets

## Partnerships:

- ✓ CPower Demand Response Programs
- ✓ PowerNow with Briggs & Stratton Generator Deployments in Texas

# Historical Financial Performance

(\$ in thousands)	2024	2023	2022	2021	2020
Total revenue*	\$10,986	\$ 8,059	\$ 7,000	\$ 6,776	\$ 5,922
Gross profit	\$7,999	\$ 6,004	\$ 5,071	\$ 4,899	\$ 4,131
Gross margin**	72.8%	74.5%	72.4%	72.3%	69.8%

\* All Acorn revenue is derived from its 99%-owned operating subsidiary, OmniMetrix.

\*\* 2024 gross margin reflects 69% increase in lower margin hardware revenue vs. 2023.

# Summary Balance Sheet – 12/31/24

Cash & Equivalents	\$2.3M
Accounts Receivable	\$1.9M
Total Current Assets	\$5.4M
<b>Total Assets</b>	<b>\$10.6M</b>

Total Current Liabilities	
excluding \$3.5M in current deferred revenue (1)	\$0.8M
<b>Total Liabilities</b> excluding \$3.5M & \$0.7M in current & non-current deferred revenue (1)	<b>\$0.8M</b>

## **Tax Assets (2):**

NOL Carryforwards (>\$65M Gross NOL * 21% tax rate)	~ \$14.0M
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- (1) Deferred revenue represents hardware sales and monitoring services, which were recorded as revenue over a 36-month life and a 12-month term, respectively. New hardware sales are no longer deferred, as they are now sold separately from monitoring services, which are still deferred and recorded to revenue over 12-months.
- (2) A deferred income tax benefit of \$4.35M was recorded in Q4'24, which capitalized this amount of the NOL carryforward as a deferred tax asset on the balance sheet. The remainder remains in reserve and will be reviewed periodically.

# Leadership



## **Jan Loeb – Acorn President and CEO and Director; Acting CEO of OmniMetrix:**

Jan has served as President and CEO of Acorn since Jan. 2016 and was appointed to the Board in August 2015. He was named acting CEO of OmniMetrix in Nov. 2019. Jan has 40+ years experience in investment banking, money management and public company management. He is President and Managing Member of Leap Tide Capital Management since 2007 and was President of Leap Tide's predecessor, AmTrust Capital Management 2005 to 2007. Prior, he was a Portfolio Manager at Chesapeake Partners; Managing Director at Jefferies & Company and Managing Director at Wasserstein Perella. Jan is a former Director of Keweenaw Land Association, Ltd., TAT Technologies and American Pacific Corporation.



## **Tracy Clifford – Acorn CFO and COO of OmniMetrix:**

Tracy Clifford was named Chief Financial Officer of Acorn in June 2018 and was named COO of OmniMetrix in Nov. 2019. Tracy previously served as CFO, Principal Accounting Officer, Corporate Controller and Secretary for a publicly-traded pharmaceutical company and a publicly-traded REIT from 1999 to 2015. Through her consulting practice launched in June 2015, Tracy served as a contract CFO and/or COO for several clients, participated on advisory boards and worked on numerous engagements. Prior experience included accounting leadership positions at United Healthcare (Atlanta) and the North Broward Hospital District (Fort Lauderdale) and work on the audit team of Deloitte & Touche (Miami).

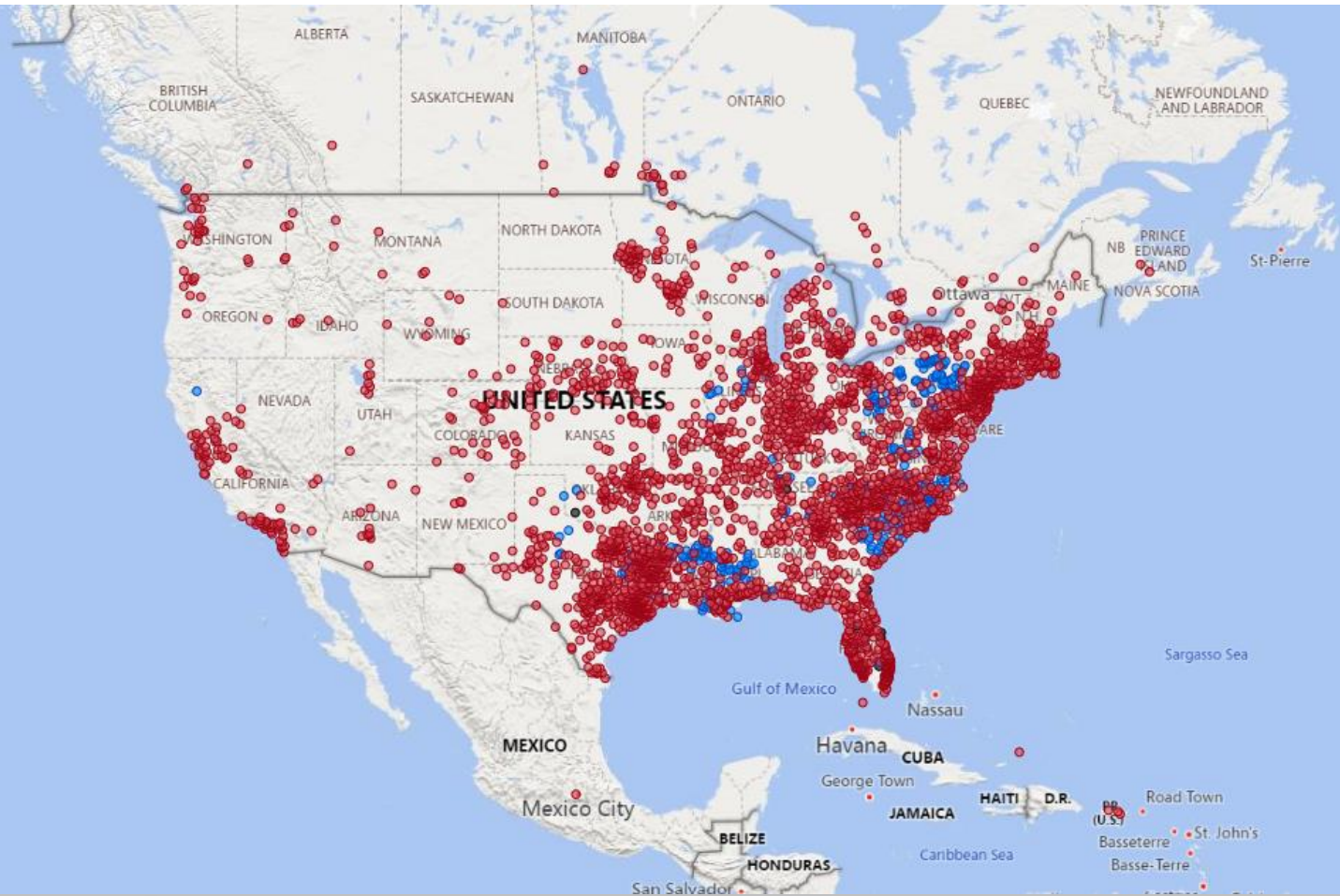
# Investment Summary

- ACFN trades for 2.8x Target 2026 Revenue vs. average IIoT comps (with lower gross margins) that trade at an average of 4x Revenue. ACFN trades at a discount despite:
  - Growing, recurring, high margin revenue model (>40% ARR) and large market opportunity
  - Demand Response offering is expected to stimulate next-generation generator sales and potentially double profit per new generator connection
  - **\$5.4M cellphone provider contract confirms ACFN leadership & expands monitoring base**
  - **Going forward, ~50% of incremental revenue falls to Operating Income.**
  - **ACFN generated \$905K in cash from operating activities in 2024**
- Technology, product & service leadership and differentiation
  - Solid track record of innovation and new product launches
- Large customer base including >25 Fortune 500 companies
- Zero debt and \$2.8M in cash (March 2025) supports growth initiatives
- Balance of >\$65M NOL could generate \$14m in future tax savings @ 21% tax rate.
- Disciplined management (35% ownership) with strong track record of value creation

# APPENDIX



# EXISTING OMNIMETRIX FOOTPRINT



# FORTUNE 500 COMPANIES TRUST OMNIMETRIX

25 Fortune 500 Companies Use OmniMetrix Remote Monitoring Solutions

