

## **ASX Announcement**

## 18 September 2019

Redflow to deliver ZBM2 batteries for telco mobile phone tower sites in South Africa

Australian energy storage company Redflow Limited (ASX: RFX) has won an order to provide 68 ZBM2 zinc-bromine flow batteries for at least 20 mobile phone tower sites in South Africa owned by one of Africa's leading telecommunication companies.

The company, which provides telecommunication services to millions of customers across a number of African countries, decided to deploy Redflow batteries in its infrastructure after <u>successfully testing</u> <u>ZBM2 batteries in a proof of concept trial</u>. Deployment is scheduled to begin this month. Redflow expects to receive revenue from the order this calendar year, which has a commercial gross margin.

This latest sale extends the presence of Redflow batteries in South Africa after <u>last year's</u> announcement that it had sold 32 zinc-bromine flow batteries to provide standby energy storage for remotely-located mobile phone towers in South Africa.

This new order for ZBM2 batteries is through Redflow's South African partner Mobax, which will be responsible for the installation and on-going support of the batteries under its field services agreement with the mobile phone company. Redflow's long-time South African distributor and solar integrator, Specialized Solar Solutions, will provide first-level in-country support to Mobax.

Mobax will commence deployment of Redflow batteries at mobile base stations that are currently powered by diesel generators. The ZBM2 batteries will reduce operational costs through less diesel use, lower fuel delivery costs to remote locations and less frequent generator servicing.

Using Redflow batteries to reduce diesel use will also lower carbon tax liabilities arising from South Africa's new carbon pollution reduction regulations, which came into force on June 1 this year.

Mobax Chief Operating Officer Maris Van Wyk said Mobax was delighted to extend its partnership with Redflow through wider deployment of the company's innovative zinc-bromine flow battery technology in South Africa's telecommunications market. "As well as delivering substantial opex (operational expenditure) savings, the ZBM2 battery offers many benefits in the South African environment including its long operating life and temperature resilience," he said.

"We are also confident that the ZBM2 battery, which weighs about 240 kg and has no secondary resale value, will be less prone to theft than conventional batteries. These are challenges faced by other telecommunications companies throughout Africa, so we see this as a significant opportunity."

Redflow Managing Director and CEO Tim Harris said this latest South African order demonstrated the value that zinc-bromine flow batteries offered to the telecommunications sector internationally. "Energy storage for mobile phone towers is a well-established market globally," he said.

"To date, it has faced high operating costs through the use of diesel generators and three-year replacement cycles for lead-acid batteries - or more frequently if these batteries are stolen for their recycling value. With a 10-year warranty and theft-resistant features, our ZBM2 zinc-bromine flow batteries solve these problems, delivering long-life, hard-working energy storage in warm climatic conditions.

"This latest order demonstrates Redflow's progress towards supplying this market opportunity."

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Redflow Limited, a publicly-listed Australian company (ASX: RFX), produces small 10kWh zinc-bromine flow batteries that tolerate daily hard work in harsh conditions. Marketed as ZCell and ZBM2, Redflow batteries are designed for high cycle-rate, long time-base stationary energy storage applications in the residential, commercial & industrial and telecommunications sectors, and are scalable from a single battery installation through to grid-scale deployments. Redflow batteries are sold, installed and maintained by an international network of energy system integrators. Redflow's smart, self-protecting batteries offer unique advantages including secure remote management, 100 per cent daily depth of discharge, tolerance of high ambient temperatures, a simple recycling path, no propensity for thermal runaway and sustained energy delivery throughout their operating life.

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