



Redflow Limited

ACN 130 227 271

PROSPECTUS

In relation to

A non-renounceable pro-rata entitlement offer to raise up to approximately \$13.6 million to Eligible Shareholders of:

- **1 New Share for every 2 Shares held at the Record Date, at an Offer Price of 11.5 cents per New Share, plus**
- **for every 2 New Shares allotted – 1 Attaching Option expiring on 15 April 2026 and exercisable at \$0.20 per Attaching Option.**

An offer under a shortfall facility of Additional Shares plus for every 2 Additional Shares allotted, 1 Attaching Option.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus, you should contact your stockbroker, accountant or other professional adviser.

An investment in securities offered under this Prospectus should be considered as speculative.

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Important Information

This Prospectus is dated 15 April 2024 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the content of this Prospectus or the merits of the investment to which it relates. The Entitlement Offer is made only to Eligible Shareholders with registered addresses in Australia, New Zealand, the United Kingdom, Singapore and Hong Kong on the Record Date. This Prospectus does not constitute an offer in any place in which or to persons to whom it would not be lawful to make such an offer. In particular, this Prospectus does not constitute an offer to Ineligible Shareholders.

No New Shares or Attaching Options will be issued on the basis of this Prospectus after the expiry date, which is 13 months after the date of this Prospectus. This is a Prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus. In preparing this Prospectus, regard has to be had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74. No person is authorised to give any information or make any representation in connection with any offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No person is authorised to give any information or make any representation in connection with this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company with the issue of this Prospectus.

This Prospectus is available to Investors in electronic form at <https://redflow.com/asx-announcements>. The Offers contained in this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions without the prior approval of the Company.

You should read this Prospectus in its entirety before deciding to complete and lodge an Application Form and, in particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's financial performance. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). The key risk factors that should be considered by potential investors are outlined in section 4 of this Prospectus. If you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest in New Shares or Attaching Options.

Various risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. Some of these risks are listed in section 4 of this Prospectus. The potential tax effects of participating in the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the information in this Prospectus in full before deciding to invest in New Shares and Attaching Options and consider the risks that could affect the performance of the Company.

This Prospectus may contain forward looking statements with respect to the financial condition, results of operations, projects and business of Redflow. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. Redflow gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved or that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Entitlement Offer.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)). New Shares and Attaching Options may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This Prospectus has been prepared for publication only in Australia, New Zealand, the United Kingdom, Singapore and Hong Kong and may not be released elsewhere.

Certain terms and abbreviations used in this Prospectus have defined meanings as set out in the glossary in section 7 of this Prospectus. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Key dates

Lodgment of Prospectus with ASIC and announcement of Offer	Monday, 15 April 2024
Existing shares quoted 'ex' rights	Wednesday, 17 April 2024
Record Date - 7.00pm (Sydney time)	Thursday, 18 April 2024
Despatch of Prospectus and Application Form	Tuesday, 23 April 2024
Opening Date for Offers	
Closing Date for Offers – 5.00pm (Sydney time)	Tuesday, 21 May 2024
Announcement of shortfall (if any) under the Offer	Wednesday, 22 May 2024
Allotment and issue of New Shares and Attaching Options	Friday, 24 May 2024
Despatch date of holding statements	Monday, 27 May 2024
Normal trading of New Shares commences	

The dates above and other dates referred to in this Prospectus (except the date of this Prospectus) are indicative only. Subject to the Listing Rules and the Corporations Act, the Company, reserves the right to change any date (including to extend the Closing Date of the Offers or to close the Offers early) without prior notice.

Summary of Offers

Company Securities (before completion of Offers)	
Current Shares on issue	237,119,977 Shares
Current Options on issue	1,285,667
Current performance rights on issue	6,667,000
Entitlement Offer	
Offer Price	11.5 cents per New Share
Eligible Shareholders' entitlement	1 New Share for every 2 Shares held on the Record Date and, for every 2 New Shares subscribed for, 1 Attaching Option
Additional Shares	Eligible Shareholders may apply for Additional Shares in excess of their Entitlement
Maximum amount which can be raised under the Offer (before costs)*	Approximately \$13.6 million
Maximum number of New Shares which can be issued under the Offer	118,559,988
Maximum number of Attaching Options which can be issued under the Offer	59,279,994
*Approximate total number of Shares on issue after the Entitlement Offer if fully subscribed	355,679,965
*Approximate total number of Options on issue after the Entitlement Offer if fully subscribed	60,565,661

**Assumes no performance rights or options are exercised and no further securities are issued.*

Frequently asked questions

What is the Entitlement Offer?	<p>A non-renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every 2 Shares held at the Record Date, at an offer price of 11.5 cents per New Share.</p> <p>For every 2 New Shares subscribed, each Participating Shareholder will also receive 1 Attaching Option expiring on 15 April 2026 and exercisable at \$0.20 per Attaching Option.</p>	Section 1.1
What is the Offer Price?	11.5 cents per New Share.	Section 1.1
Am I an Eligible Shareholder?	<p>Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> • are registered as a holder of Shares on the Record Date; • have a registered address in Australia, New Zealand, the United Kingdom, Singapore or Hong Kong; • are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and • are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered. 	Section 1.2
What happens if I am a Shareholder on the Record Date but not an Eligible Shareholder?	<p>You will not be entitled to subscribe for New Shares under the Entitlement Offer. Ineligible Shareholders will have their percentage holding in the Company (held at the Record Date) diluted as a result of the Entitlement Offer.</p>	Section 1.18
What is the Shortfall Offer?	<p>An invitation to Eligible Shareholders to subscribe for Additional Shares in addition to their Entitlement out of the Shortfall Shares.</p> <p>For every 2 Additional Shares subscribed, each Participating Shareholder will also receive 1 Attaching Option expiring on 15 April 2026 and exercisable at \$0.20.</p>	Section 1.4
How much will be raised from the Offers?	<p>If fully subscribed, the Entitlement Offer will raise up to approximately \$13.6 million (before costs).</p>	Section 1.1 and 3.5
What is the purpose of the Offers and how will the funds raised be used?	<p>The purpose of the Offers is to raise funding for the delivery of announced projects, key engineering developments, scale up of the Thailand manufacturing facility and conversion of pipeline opportunities.</p> <p>The raising will also support continuing discussions with the Queensland Government under its Battery Industry Strategy and with other government agencies for financial and other commercial support.</p>	Section 1.16

Is the Entitlement Offer underwritten?	No, the Entitlement Offer is not underwritten.	Section 1.6
What are the tax implications of participating in the Entitlement Offer?	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular tax treatment that will apply to them.	Section 6.7
Are there any risks?	There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Entitlement Offer and risks associated with financial investments generally. These risks are set out in more detail in section 4 of this Prospectus.	Section 4
What effect will the issue of the New Shares and Attaching Options have on the Company?	The potential effect that the issue of New Shares and Attaching Options will have on the capital structure and financial position of the Company are set out in section 3.	Section 3
What effect will the issue of the New Shares and Attaching Options have on the control of the Company?	The potential effect that the issue of New Shares and Attaching Options will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. Further details on the effect on control are set out in section 3.4.	Section 3.4

LETTER FROM CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholder,

Entitlement Offer to raise up to \$13.6 million before offer costs

On behalf of your Directors, I am pleased to invite you as a valued Shareholder of Redflow to participate in a 1 for 2 non-renounceable pro-rata Entitlement Offer to raise a total of up to approximately \$13.6 million (**Entitlement Offer**).

Redflow's progress

Redflow has continued to expand its profile in the global long duration energy storage industry via the announcement of over 60 MWh in new projects over the past 11 months. These projects with counterparties that include US California Energy Commission, the US Department of Defence, Energy Queensland, Acciona, Horizon Power and the US Department of Energy endorse the benefits of our technology and validate our strategic focus scaling our solutions to on larger MWh systems for commercial and industrial and utility customers.

Announced projects, coupled with a strong and growing pipeline, are expected to have a materially positive impact on Redflow's revenue in FY25. Demand for Redflow's batteries is expected to be met out of existing manufacturing facilities.

Our progress in securing new customers underscores the increasing global requirement for medium to longer storage duration solutions that have been proven in the field and can rapidly scale, to meet the estimated cumulative battery storage demand of 85 TWh by 2040.¹

The purpose of the Entitlement Offer is to raise funding for the delivery of announced projects, key engineering developments, scale up of the Thailand manufacturing facility and conversion of pipeline opportunities.

The raising will also support continuing discussions with the Queensland Government under its Battery Industry Strategy and with other government agencies for financial and other commercial support.

Executing on growth strategy

Since the last capital raising in 2023, Redflow has achieved several significant milestones, including:

- in March 2024, its first remote grid project by Horizon Power to be deployed at the Nullagine in the Pilbara region of Western Australia.
- In March 2024, a new X10 battery model design, the natural evolution of its current systems aimed for use in larger-scale projects. The X10 battery design is based on extensive customer engagement and analysis. The X10, along with a plan to develop a highly automated manufacturing capability, aims to achieve a step change in product costs and competitiveness. Redflow's manufacturing strategy relies on the successful establishment of an advanced manufacturing facility in conjunction with the development of the X-10 product by 2026 to enable it to manufacture X-10 batteries at scale and at a competitive cost to meet the needs of the utility scale LDES market.
- In February 2024, the allocation of \$1.12 million of Queensland government grant funding under the \$100 million Queensland Critical Minerals and Battery Technology Fund (QCMBTF) for the development and construction of a large-scale zinc-bromine flow battery prototype and a feasibility study for the establishment of a large-scale zinc-bromine flow battery manufacturing facility in Queensland.
- In February 2024, Redflow was announced as the preferred energy storage technology for a new project for the Barona Band of Mission Indians that has been recommended by the California Energy Commission (CEC) for grant negotiation. The Barona Band of Mission Indians' project is to be focused on energy storage for resilience.
- Redflow received formal notice to proceed from Farady Microgrids for the 15 MWh of long-duration energy storage solution for the Paskenta Band of Nomlaki Indians in February 2024. This is a

¹ Cumulative energy installed capacity from LDES Council: *Net Zero Power*, 2021

California Energy Commission (CEC) funded project in California and is expected to be delivered over 2025 and early 2026.

- Across the last six months, Redflow's engineering team has continued to execute a number of critical engineering projects to address critical supply chain issues and production bottlenecks, including Injection moulded collectors, new spray line and new CNC machine optimisation. Following a disrupted production period in late 2023 due to quality with a specific material, Redflow production is now back on track and is aligned with ramp up plans and customer delivery dates.
- In October 2023, Redflow announced a long-duration energy storage project with ACCIONA Energía. ACCIONA Energía is a Spanish multinational conglomerate and the world's largest fossil free utilities operating exclusively in renewable technologies with a presence in over 30 countries including Australia.
- In September 2023, Redflow announced that the US Department of Energy approved funding for a 34 MWh long duration energy storage project at the Valley Children's Hospital in Madera, California. Redflow has been named as the battery provider for this project. The project is being sponsored, and expected to be co-funded by, the California Energy Commission (CEC).

Growing support and funding options for Battery Storage from Government policies and priorities

As the energy transition progresses, the critical role of energy storage in achieving ambitious clean energy targets is increasingly being recognised. The technical and operational requirements for energy storage is also changing and is driving the need for long duration storage (LDES) to store large renewables to reduce the risk of thermal runaway and mitigate strategic supply chain vulnerabilities.

The energy transition in Queensland is a powerful example of Redflow's growing strategic opportunity. Queensland's energy transition and battery industry growth is expected to be accelerated by Queensland Government's \$62bn Energy and Jobs Plan and a \$570M Battery Industry Strategy, which was launched in March 2024.² As part of the announcement, Queensland Premier Steven Miles noted that the "The Queensland Battery Industry Strategy establishes Queensland as a global leader in the flow batteries needed to store renewable energy and advanced battery technologies".³

At a federal level, the Australian Government recently announced its Future Made in Australia policy proposing incentives to advance renewable energy industries, manufacturing and infrastructure with a goal to establish advanced manufacturing of renewables in Australia. This is aligned to Redflow's own ambition to establish an advanced-scale manufacturing capability in Australia to complement its existing Thailand facility.

As noted in our recent strategy update, Government support for energy transition and potential incentive initiatives provides Redflow with multiple potential funding options. Redflow is currently pursuing a number of those options at the Federal and State level in Australia. Based on a number of engagements currently underway, we expect these discussions to have advanced materially to a decision point within the next six months.

Positioning Redflow for scalable growth

Undoubtedly, there is substantial work ahead of us. However, we stand at the most positive point in the Company's history, poised to capitalise on the foundations we have built. We are confident that, with the right level of shareholder support and capital, the platform we have established and the market momentum we have created, Redflow can play a pivotal role in the global energy transition, drive further commercial success, and ultimately deliver returns for our valued shareholders.

Purpose of capital raising

The purpose of the Entitlement Offer is to raise funding for the delivery of announced projects, key engineering developments, scale up of the Thailand manufacturing facility and conversion of pipeline opportunities.

The raising will also support continuing discussions with the Queensland Government under its Battery Industry Strategy and with other government agencies for financial and other commercial support.

² https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0027/87057/queensland-battery-industry-strategy-web.pdf

³ Queensland Government, *New half-billion-dollar strategy to power Queensland's battery boom*, February 2024

Entitlement Offer

Eligible Shareholders are invited to participate in a non-renounceable pro-rata Entitlement Offer to raise up to approximately \$13.6 million (before costs).

The Entitlement Offer will be conducted on the basis of 1 New Share for every 2 Shares held at the Record Date, at an offer price of 11.5 cents per New Share plus 1 Attaching Option exercisable at \$0.20 each and expiring on 15 April 2026, for every 2 New Shares allotted.

The Offer Price represents a discount of approximately:

- 21.7% to the 15 day volume weighted average price (VWAP) of Shares traded on ASX up to and including 12 April 2024; and
- 23.3% to the last price at which shares traded on 12 April 2024.

Under the Entitlement Offer, up to 118,559,988 New Shares and up to 59,279,994 Attaching Options will be offered.⁴

Eligible Shareholders may also apply for New Shares in excess of their Entitlement through the Shortfall Facility with such oversubscriptions to be satisfied from Entitlements that were not taken up under the Entitlement Offer. Please see section 1.4 for further details on how Additional Shares will be allocated to Eligible Shareholders.

Further details regarding the Entitlement Offer are set out in section 1.1.

Actions required to take up your Entitlement under the Entitlement Offer

Your entitlement to subscribe for New Shares under the Entitlement Offer is set out in your personalised Application Form accompanying this Prospectus. Instructions on how to participate in the Entitlement Offer are set out in section 2.

The Entitlement Offer opens for acceptances on **Tuesday, 23 April 2024** and all completed Application Form and payments of Application Money must be received by no later than the Closing Date, currently **5.00pm (Sydney time) on Tuesday, 21 May 2024**. The New Shares and the Attaching Options under the Entitlement Offer will be issued to Eligible Shareholders on Friday, 24 May 2024.

Redflow reserves the right, subject to the Corporations Act, the Listing Rules and any requirements of ASX, to accept late Acceptances or to extend the Closing Date without prior notice.

If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless Redflow decides to accept late Acceptances or extend the Closing Date, Acceptances received after 5.00pm Sydney time on the Closing Date may be rejected and Application Money refunded without interest.

If you take no action or your application is not supported by cleared funds, your Entitlement will be deemed to have lapsed and your percentage shareholding in Redflow will be diluted by your non-participation in the Entitlement Offer.

Further information

It is important that you carefully read this Prospectus and the other publicly available information about Redflow, including information on our website (www.redflow.com) and consider in particular the risk factors referred to in section 4 before making any investment decision.

Shareholder Directors have each agreed to participate in the Entitlement Offer.

⁴ Assumes the Entitlement Offer is fully subscribed, no performance rights or options are exercised and no further securities are issued.

On behalf of the Directors, we invite you to consider this opportunity and thank you for your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Brett Johnson', with a large, sweeping flourish at the end.

Brett Johnson
Non-Executive Chairman

A handwritten signature in black ink, appearing to be 'Tim Harris', with a large, sweeping flourish at the end.

Tim Harris
Managing Director & CEO

1 Details of the Offers

1.1 Entitlement Offer

Eligible Shareholders are invited to participate in a non-renounceable pro-rata Entitlement Offer to raise up to approximately \$13.6 million (before costs).

The Entitlement Offer will be conducted on the basis of 1 New Share for every 2 Shares held at the Record Date, at an offer price of 11.5 cents per New Share plus 1 Attaching Option exercisable at \$0.20 each and expiring on 15 April 2026, for every 2 New Shares allotted.

The Offer Price represents a discount of approximately:

- 21.7% to the 15 day volume weighted average price (VWAP) of Shares traded on ASX up to and including 12 April 2024; and
- 23.3% to the last price at which shares traded on 12 April 2024.

Under the Entitlement Offer, up to 118,559,988 New Shares and up to 59,279,994 Attaching Options will be offered.

Entitlements to New Shares and Attaching Options will be rounded down to the nearest whole number.

The Entitlement of each Eligible Shareholder under the Entitlement Offer is shown on the personalised Application Form accompanying this Prospectus.

1.2 Eligible Shareholders

This Prospectus contains an offer of New Shares and Attaching Options to Eligible Shareholders. Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares on the Record Date;
- (b) have a registered address in Australia, New Zealand, United Kingdom, Singapore or Hong Kong;
- (c) are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Entitlements of Eligible Shareholders who also hold Options on the Record Date will be calculated on the basis of the number of Shares they hold on the Record Date, disregarding any Options which have not been exercised before that time.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

1.3 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up.

1.4 Shortfall Offer

Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer will be able to subscribe for Additional Shares. Additional Shares will be sourced from Entitlements that were not taken up under the Entitlement Offer.

Eligible Shareholders can subscribe for Additional Shares by completing the relevant part of the Application Form, or through BPAY®.

There is no guarantee that those Eligible Shareholders will receive the number of Additional Shares applied for, or any. The number of Additional Shares will not exceed the shortfall from the Entitlement Offer.

The Company currently intends to allocate any Additional Shares to Eligible Shareholders in a manner considered appropriate having regard to the best interests of the Company and the Company's desire to maximise the amount of funds raised from the Shortfall Offer. The Directors will not exercise their discretion in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of Shares contrary to law or the Listing Rules. Each Participating Shareholder will also receive 1 Attaching Option for every 2 Additional Shares allotted.

1.5 Placement of Shortfall Shares

To the extent that any of the Entitlements of Eligible Shareholders are not allocated as Additional Shares, the Board also reserves the right to place any Shortfall Shares at their discretion within three months after the Closing Date. Investors who subscribed for Shortfall Shares will also be granted 1 Attaching Option for every 2 Shortfall Shares subscribed for.

1.6 No underwriting

The Offers are not underwritten.

1.7 Ranking of New Shares

New Shares issued under the Entitlement Offer, or on exercise of the Attaching Options, will rank equally with existing Shares.

1.8 Minimum subscription

There is no minimum subscription for the Offers.

1.9 Withdrawal of Offers

The Board reserves the right to withdraw all or part of the Offers at any time before the issue of New Shares or Attaching Options, in which case the Company will refund Application Money without payment of interest.

1.10 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

1.11 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Eligible Shareholders under the Offers.

1.12 Opening and Closing Date for applications

The Entitlement Offer opens for acceptances on **Tuesday, 23 April 2024** and all completed Application Forms and payments of Application Money (if applicable) must be received by no later than the Closing Date, currently **5.00pm (Sydney time) on Tuesday, 21 May 2024**.

The Company reserves the right, subject to the Corporations Act, the Listing Rules and any requirements of ASX, to accept late Acceptances or to extend the Closing Date without prior notice.

If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless the Company decides to accept late Acceptances or extend the Closing Date, Acceptances received after the Closing Date may be rejected and Application Money refunded without interest (if applicable).

1.13 **ASX quotation**

(a) **New Shares**

The Company will apply for the quotation of all New Shares on ASX. If official quotation of the New Shares is not granted by ASX within three months after the date of this Prospectus (or any longer period permitted by law), the Entitlement Offer will be cancelled and Application Money will be returned (without interest) to Eligible Shareholders as soon as practicable.

The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or securities being offered under the Entitlement Offer.

(b) **Attaching Options**

The Company will not apply to the ASX for quotation of the Attaching Options. Accordingly, Eligible Shareholders should be aware that there is unlikely to be a viable market for them and a sale or transfer of the Attaching Options will be difficult.

An application will be made at the time of the exercise of any Attaching Options for quotation of the Shares to be issued upon exercise of the Attaching Options.

1.14 **CHESS**

Under CHESS, Participating Shareholders and other applicants will not receive a certificate but will receive a statement of their holding of New Shares. If you are broker sponsored and you take up your Entitlement, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor. If you are registered in the issuer sponsored sub register, your statement will be despatched by the Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

1.15 **Allotment**

Allotment and issue of New Shares and Attaching Options issued under the Entitlement Offer will only be made once the Application Money has been received and ASX has granted permission for quotation of the New Shares. The Attaching Option not be listed.

It is expected the New Shares and Attaching Options will be allotted on or about Friday, 24 May 2024 and holding statements will be despatched on or about Monday, 27 May 2024.

It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in the New Shares or Attaching Options. Eligible Shareholders who sell New Shares or Attaching Options before they receive their holding statement do so at their own risk.

1.16 **Use of funds**

The purpose of the Entitlement Offer is to raise funding for the delivery of announced projects, key engineering developments, scale up of the Thailand manufacturing facility and conversion of pipeline opportunities.

The raising will also support continuing discussions with the Queensland Government under its Battery Industry Strategy and with other government agencies for financial and other commercial support.

The Company's present intention is to use the funds raised under the Offers as follows:

Proposed use of funds	If Entitlement Offer is 50% subscribed (Amount \$m)	If Entitlement Offer is 75% subscribed (Amount \$m)	If Entitlement Offer is 100% subscribed (Amount \$m)
X10 engineering	\$3	\$5	\$5
Thailand factory scale-up	Nil	\$0.2	\$3.1
Operational expenses (including announced projects and conversion of pipeline opportunities)	\$3.4	\$3.4	\$3.4
Working Capital	Nil	\$1	\$1.4
Capital raising expenses	\$0.4	\$0.6	\$0.8
Total	\$6.8	\$10.2	\$13.6

There is no minimum amount sought to be raised by the Offers and the New Shares and Attaching Options may be issued in respect of applications irrespective of the total level of subscriptions made.

No statement is made or assurance is given that the amounts in the table above (or any amounts) will be raised under the Offers. The table above is for illustrative purposes only assuming the pro-forma amounts are raised and is a statement of present intentions regarding use of funds as at the date of this Prospectus.

As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the initiatives undertaken in accordance with the Company's stated objectives. There is no guarantee that the funds raised will be sufficient to enable the Company to achieve its stated objectives.

This is a statement of present intention only. The Company and the Directors reserve the right to change the way and the amount in which funds are applied.

1.17 Optionholders

(a) General

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (i) are entitled to exercise their existing Options under the terms and conditions of grant; and
- (ii) validly exercise their Options and become an Eligible Shareholder on or before the Record Date.

(b) Unlisted options

On the date of this Prospectus, the Company has following unlisted Options on issue.

Exercise Price	Expiry Date	Number of Options
\$1.0000	25/08/2024	425,000
\$1.0000	14/10/2024	860,667
Total		1,285,667

(c) **Unlisted performance rights**

On the date of this Prospectus, the Company has following unlisted performance rights on issue.

Exercise Price	Expiry Date	Number of performance rights
\$Nil	14/10/2027	780,000
\$Nil	14/10/2027	936,000
\$Nil	15/12/2027	390,000
\$Nil	25/11/2027	800,000
\$Nil	16/05/2028	2,761,000
\$Nil	23/11/2028	1,000,000
Total		6,667,000

(d) **Effect of exercise of options and performance rights**

As at the date of this Prospectus no Options or performance rights have vested. Accordingly, no Options or performance rights are able to be exercised.

1.18 **Overseas Shareholders**

The Company has decided that it is unreasonable to make an offer under this Prospectus to Ineligible Shareholders, having regard to the number of Ineligible Shareholders, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in the places where they are resident.

Accordingly, the Entitlement Offer is not being extended to, and no New Shares and Attaching Options will be issued to, Ineligible Shareholders. This Prospectus is sent to those Shareholders for information purposes only.

In limited circumstances, the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, United Kingdom, Singapore and Hong Kong may be restricted by law. Persons who come into possession of this Prospectus in those jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Application Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia, New Zealand, United Kingdom, Singapore and Hong Kong.

The Board may, in its absolute discretion, resolve to issue and allot New Shares to an Eligible Shareholder on the condition that the Board in its absolute discretion is satisfied that the issue of New Shares within 3 months of the Closing Date by the Company does not breach any applicable laws.

(a) **New Zealand securities law requirements**

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (FMC Act)*.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The New Shares and Attaching Options are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

The New Shares and Attaching Options may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(b) **United States**

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Entitlement Offer is not being made to US persons or persons in the United States.

(c) **Hong Kong**

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (**C(WUMP)O**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements, New Shares and Attaching Options have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance) or in circumstances which do not result in this document being a 'prospectus' as defined in the C(WUMP)O or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Entitlements, the New Shares and the Attaching Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong, or elsewhere that is directed at, or the contents of which are likely to be accessed and read by, the public of Hong Kong (except if permitted to do so under the securities law of Hong Kong) other than with respect to Entitlements, New Shares or Attaching Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

(d) **Singapore**

This Prospectus and any other materials relating to the New Shares and Attaching Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore (**MAS**) and the MAS assumes no responsibility for the contents of this document and other material relating to the Entitlements, New Shares and the Attaching Options. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares and Attaching Options, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act 2001 (Cap 289) of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an 'institutional investor' (as defined in the SFA), or (iii) an 'accredited investor' (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares and Attaching Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares and Attaching Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) **United Kingdom**

Neither this document nor any other document relating to the New Shares and Attaching Options under the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares or Attaching Options.

The New Shares and Attaching Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares and Attaching Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

1.19 **Market Price of Shares**

The highest and lowest market sale price of the Company's Shares on ASX during the three calendar months immediately preceding the date of issue of this Prospectus and the last market price on the last day of trading before lodgement is set out below:

3 month high	3 month low	Last market sale price on 12 April 2024
\$0.17	\$0.12	\$0.15

1.20 **Risks**

Investors should carefully read the section on risk factors set out in section 4 of the Prospectus. An investment in New Shares and Attaching Options involves various risks, a number of which are specific to the Company and the industry in which it operates.

Investors should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

An investment in New Shares and Attaching Options should be regarded as speculative.

2 How to participate in the Offers

2.1 What you may do – choices available

Before taking any action, you should carefully read this Prospectus and the other publicly available information about the Company on our website (www.redflow.com) and consider the risk factors set out in section 4.

The number of New Shares and Attaching Options to which Eligible Shareholders are entitled under the Entitlement Offer is shown on the Application Form. If you are an Eligible Shareholder you may:

Alternatives	See section
Take up your Entitlement in full or in part	2.2
Take up your Entitlement in full and apply for Additional Shares	2.2 and 2.3
Allow your Entitlement to lapse	2.4

2.2 To accept your Entitlement in full or in part

Either:

Payment by cheque or bank draft

If you are paying for your New Shares by cheque, bank cheque or bank draft, complete and return the Application Form with your payment. The Share Registry must receive your completed Application Form together with full payment for the number of New Shares for which you are applying by no later than **5.00pm (Sydney time) on Tuesday, 21 May 2024**.

Hand delivery	Mailing address
Redflow Limited C/- Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000	Redflow Limited C/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001

Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.

Cheques must be made payable to 'Redflow Limited' and crossed 'Not Negotiable'.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. We will not re-present any dishonoured cheques.

or:

Pay by BPAY®

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Application Form. Please note that should you choose to pay by BPAY®:

- you do not need to complete or return the Application Form but are taken to have made the declarations on that personalised Application Form;
- amounts received by the Company in excess of the Offer Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full; and

- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Application Form. If you receive more than one personalised Application Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by **5.00pm (Sydney time) on Tuesday, 21 May 2024**.

Excess Amounts that are not sufficient to subscribe for a number of New Shares or Additional Shares multiplied by the Offer Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Excess Amount received or refunded.

By either returning the Application Form with payment or making payment received by BPAY® you provide authorisation to be registered as a holder of New Shares and Attaching Options subscribed for by you and agree to be bound by the Company's constitution.

Acceptances or payments received after the Closing Date may not be accepted.

2.3 **Shortfall Offer - If you wish to apply for Additional Shares**

Eligible Shareholders may apply for Additional Shares (which are New Shares that are not taken up by Eligible Shareholders) in excess of their Entitlement. The allocation of Additional Shares will be limited to the number of Shortfall Shares (if any) and will be at the discretion of the Directors. There is no guarantee that you will receive Additional Shares.

Shareholders who apply for Additional Shares may receive fewer Additional Shares than the number applied for or none at all. If you do not receive any or all of the Additional Shares you applied for, any excess Application Money will be returned to you (without interest) by way of cheque to your registered address.

If you wish to apply for Additional Shares, follow the instructions on the Application Form and specify the total number of Additional Shares you wish to apply for. You must provide the Application Money by BPay®, cheque or bank draft for the total number of Additional Shares you wish to apply for.

For every 2 Additional Shares subscribed for successfully, each Participating Shareholder will also receive 1 Attaching Option.

2.4 **Entitlement Offer - Allow your Entitlement to lapse**

If you **do not wish** to accept all or part of your Entitlement, you do not have to do anything in respect of the Entitlement you are not accepting, and any Entitlement not taken up will automatically lapse. You will receive no payment for your lapsed Entitlement.

2.5 Acceptance of an Offer

By completing, and the Company receiving, your Application Form in respect of your personalised Application Form with the requisite Application Money or making a payment by BPAY[®], as applicable, you:

- (a) agree to be bound by the terms of this Prospectus and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares and Attaching Options allotted or granted to you;
- (c) declare that all details and statements made in the relevant Application Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the relevant Offer;
- (e) acknowledge that once the Company receives your Application Form or your payment by BPAY[®], as applicable, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares (together with the Attaching Options) specified in your Application Form or, if applicable, that your payment will pay for at the Offer Price;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares and Attaching Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (h) in respect of the Entitlement Offer and Shortfall Offer, declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Application Form as being held by you on the Record Date;
- (i) declare that you are eligible to participate in the Entitlement Offer and agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (j) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an application for New Shares is resident in Australia, New Zealand, Singapore, Hong Kong or the United Kingdom and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Application Form or any information or materials relating to the Entitlement Offer to any such person;
- (k) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that the New Shares and Attaching Options are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge that investments in the Company are subject to risks;
- (m) represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the relevant Application Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the relevant Application Form;
- (n) represent and warrant that you are not in the United States and are not a US Person, and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or Attaching Options under the Offers;
- (o) acknowledge that the Entitlements and the New Shares or Attaching Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside

Australia, New Zealand, the United Kingdom, Singapore and Hong Kong, and accordingly, the Entitlements may not be taken up, and the New Shares and Attaching Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and

- (p) have not and will not send any materials relating to the Offers to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

2.6 Notice to nominees and custodians

Nominees or custodians with registered addresses in Australia, New Zealand, Hong Kong, Singapore or the United Kingdom may be able to participate in the Entitlement Offer and Shortfall Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians who hold Shares as nominees or custodians should note in particular that the Entitlement Offer and Shortfall Offer is not available to:

- (a) beneficiaries on whose behalf they hold existing shares who would not satisfy the criteria for an Eligible Shareholder; and
- (b) shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer or Shortfall Offer.

The Entitlement Offer and Shortfall Offer is not available to securityholders that are in the United States or persons (including nominees or custodians) acting for the account or benefit of a person in the United States.

2.7 Application Form is binding

Receipt of payment of Application Money by cheque together with a completed and lodged Application Form and payment by BPAY[®] constitutes a binding acceptance of the Company's offer to acquire New Shares and Attaching Options under the Entitlement Offer and Shortfall Offer on the terms and conditions set out in this Prospectus and an acknowledgement by you that you have received and read this Prospectus, you have acted in accordance with the terms of the Entitlement Offer and Shortfall Offer detailed in this Prospectus, and that you agree to all of the terms and conditions as detailed in this Prospectus.

An Application Form, once lodged, cannot be withdrawn.

An Application Form does not need to be signed to be binding. If the Application Form is not completed correctly, the Company, in its absolute discretion, can reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to interpret an incorrectly completed Application Form is final.

2.8 Application Money

All Application Money will be held on trust in a bank account maintained solely for the purpose of depositing Application Money received pursuant to this Prospectus until the New Shares and Attaching Options are issued. The Company is entitled to retain any interest paid on Application Money, whether or not allotment and issue of the New Shares or Attaching Options takes place. If quotation of the New Shares is not granted by ASX within the time required by law, no New Shares will be allotted and Application Money will be refunded to Eligible Shareholders without interest within the time prescribed under the Corporations Act.

3 Effect of the Offers on the Company

3.1 Overview

The Offers will have an effect on the capital structure, control and the financial position of the Company.

3.2 Effect on capital structure

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately following the successful completion of the Offers, assuming that:

- (a) all of the Entitlements to New Shares and Attaching Options under the Entitlement Offer are taken up;
- (b) no Options or performance rights are exercised prior to the Record Date; and
- (c) no other new Shares are issued before the issue date.

In this section 3, these assumptions are called the **Subscription Assumptions**.

Share capital – full subscription (undiluted)	Number	%
Ordinary shares on issue at the date of this Prospectus	237,119,977	66.67
Plus: New Shares under the Entitlement Offer	118,559,988	33.33
Total issued share capital on completion of Entitlement Offer (undiluted)	355,679,965	100

Share capital – full subscription (fully diluted)	Number	%
Ordinary shares on issue at the date of this Prospectus	237,119,977	56.07
Plus: New Shares under the Entitlement Offer	118,559,988	28.03
Total issued share capital on completion of Entitlement Offer (undiluted)	355,679,965	84.1
Existing Options	1,285,667	0.30
Existing performance rights	6,667,000	1.58
Plus: Attaching Options issued under the Entitlement Offer	59,279,994	14.02
Total options and performance rights on completion of Entitlement Offer	67,232,661	15.9
Fully diluted share capital on completion of Offer*	422,912,626	100

* Assuming all Options and performance rights are exercised

The Company's actual position on completion of the Offers may differ from the positions illustrated in the pro-forma capital structure table above.

If the Offers are not fully subscribed, fewer New Shares and Attaching Options will be issued and there will be fewer Shares and Options on issue following completion of the Offers.

The Company will announce to ASX the actual number of New Shares and Attaching Options to be issued under the Offers as soon as practicable after all securities have been issued.

3.3 Effect on shareholdings

(a) General

If you exercise your full Entitlement under the Entitlement Offer you will not be diluted on completion of the Entitlement Offer. If you do not exercise your full Entitlement, you will be diluted on completion of the Entitlement Offer.

Ineligible Shareholders will have their holdings diluted by the Entitlement Offer.

The effect of the Entitlement Offer on the control of the Company will depend upon a number of factors, including:

- (i) the level of Shareholder participation (including both the taking up of Entitlements and applications for Additional Shares); and
- (ii) which Shareholders participate.

If every Shareholder was to take up their full Entitlement, there would be a minimal effect on the control of the Company on completion of the Entitlement Offer, as the Entitlement Offer is made pro-rata and, in that case, there would not be any scope for any Shareholder to apply for Additional Shares under the Shortfall Offer.

Depending on whether Shareholders decide to exercise the Attaching Options received under the Offers into Shares, there may be further dilutions in the future which the Company is unable to provide guidance on as at the date of this Prospectus.

(b) Full subscription – full subscription by Shareholders

The table in section 3.2 sets out the potential effect of the Offers on the shareholdings in the Company immediately following the successful completion of the Offers based on the Subscription Assumptions.

(c) Partial subscription – 75% subscription by Shareholders

The following table sets out the potential effect of the Offer on the shareholdings in the Company immediately following the completion of the Offer based on Eligible Shareholders subscribing for 75% of their Entitlements.

Share capital – 75% subscription	Number	%
Ordinary shares on issue at the date of this Prospectus	237,119,977	62.65
Plus: New Shares (75% subscription under the Entitlement Offer)	88,919,991	23.50
Total issued share capital on completion of Entitlement Offer (undiluted)	326,039,968	86.15
Existing Options	1,285,667	0.34
Existing performance rights	6,667,000	1.76
Plus: Attaching Options issued under Entitlement Offer (75%)	44,459,995	11.75
Total options and performance rights on completion of Entitlement Offer	52,412,662	13.85
Fully diluted share capital on completion of Offer – assuming 75% subscription	378,452,630	100

(d) **Partial subscription – 50% subscription by Shareholders**

The following table sets out the potential effect of the Offer on the shareholdings in the Company immediately following the completion of the Offer based on Eligible Shareholders subscribing for 50% of their Entitlements.

Share capital – 50% subscription	Number	%
Ordinary shares on issue at the date of this Prospectus	237,119,977	71.00
Plus: New Shares (50% subscription under the Entitlement Offer)	59,279,994	17.75
Total issued share capital on completion of Entitlement Offer (undiluted)	296,399,971	88.75
Existing Options	1,285,667	0.38
Existing performance rights	6,667,000	2.00
Plus: Attaching Options issued under Entitlement Offer (50%)	29,639,997	8.87
Total options and performance rights on completion of Entitlement Offer	37,592,664	11.25
Fully diluted share capital on completion of Offer – assuming 50% subscription	333,992,635	100

3.4 **Effect on control of the Company**

The Directors cannot speculate as to the extent that Entitlements will be accepted by Eligible Shareholders or the effect on control that the Offers will have on the Company.

If all Eligible Shareholders accept their Entitlements in full, the Offers will not have a material effect on the control of the Company.

3.5 **Effect on financial position**

(a) **General**

The broad effect of the Offers on the Company's financial position if the Offers are successfully completed and the Entitlements are fully taken up, will be to increase Shareholders' funds and net assets by approximately \$13.6 million before payment of the expenses of the Offers.

(b) **Proforma balance sheets - basis of preparation**

To illustrate the effect of the Offers on the Company, the following pro-forma consolidated balance sheets of the Company have been prepared based on the financial statements of the Company as at 31 December 2023 and Subscription Assumptions as follows:

- (i) Table A – pro-forma balance sheet which assumes full subscription of Entitlements;
- (ii) Table B – pro-forma balance sheet which assumes 75% subscription of Entitlements; and
- (iii) Table C – pro-forma balance sheet which assumes 50% subscription of Entitlements.

The pro-forma balance sheets have been prepared on the basis of accounting policies adopted by the Company in the preparation of its 2023 half-year financial statements. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian accounting standards applicable to audited financial statements.

Table A – pro-forma balance sheet assuming full subscription of Entitlements

The table below is the proforma balance sheet of the Company as at 31 December 2023 adjusted to reflect the following pro-forma transactions:

- the Offers were fully taken up and \$13.6 million was received under the Entitlement Offer from the issue of 118,559,988 New Shares;
- no Shares were issued pursuant to the exercise of existing Options or performance rights on or before the Record Date; and
- payment of approximately \$810,000 million representing the expenses of the Offers.

TABLE A - Proforma unaudited balance sheet as at 31 December 2023 if Offer is fully subscribed			
		Adjustments (full subscription)	Proforma on completion
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9,697,202	12,824,399	22,521,601
Trade and other receivables	1,144,260	-	1,144,260
Inventories	3,294,275	-	3,294,275
Other current assets	689,955	-	689,955
Total Current Assets	14,825,692	12,824,399	27,650,091
NON-CURRENT ASSETS			
Property, plant and equipment	1,332,990	-	1,332,990
Intangible assets	538,953	-	538,953
Right of use assets	173,394	-	173,394
Total non-current assets	2,045,337	-	2,045,337
TOTAL ASSETS	16,871,029	12,824,399	29,695,428
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2,293,631	-	2,293,631
Lease liabilities	156,686	-	156,686
Other current liabilities	1,193,724	-	1,193,724
Provisions	5,621,460	-	5,621,460
Total Current Liabilities	9,265,501	-	9,265,501
Non-current liabilities			
Provisions	200,042	-	200,042
Total non-current liabilities	200,042	-	200,042
TOTAL LIABILITIES	9,465,543	-	9,465,543
NET ASSETS	7,405,486	12,824,399	20,229,885

TABLE A - Proforma unaudited balance sheet as at 31 December 2023 if Offer is fully subscribed			
		Adjustments (full subscription)	Proforma on completion
EQUITY			
Contributed equity	165,047,847	12,824,399	152,223,448
Reserves	5,689,762	-	5,689,762
Accumulated losses	(163,332,123)	-	(163,332,123)
Total Equity	7,405,486	12,824,399	20,229,885

Table B – pro-forma balance sheet assuming 75% subscription of Entitlements

The table below is the pro-forma balance sheet of the Company as at 31 December 2023 adjusted to reflect the following pro-forma transactions:

- 75% of Entitlement was taken up under the Entitlement Offer and approximately \$10.2 million was received from the issue of 88,919,991 New Shares;
- no Shares were issued pursuant to the exercise of existing Options on or before the Record Date; and
- payment of approximately \$613,000 million representing the expenses of the Offers.

TABLE B – Pro-forma unaudited balance sheet as at 31 December 2023 if Offer is 75% subscribed			
		Adjustments (75% subscription)	Proforma on completion
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9,697,202	9,612,251	19,309,453
Trade and other receivables	1,144,260	-	1,144,260
Inventories	3,294,275	-	3,294,275
Other current assets	689,955	-	689,955
Total Current Assets	14,825,692	9,612,251	24,437,943
NON-CURRENT ASSETS			
Property, plant and equipment	1,332,990	-	1,332,990
Intangible assets	538,953	-	538,953
Right of use assets	173,394	-	173,394
Total non-current assets	2,045,337	-	2,045,337
TOTAL ASSETS	16,871,029	9,612,251	26,483,280
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2,293,631	-	2,293,631
Lease liabilities	156,686	-	156,686
Other current liabilities	1,193,724	-	1,193,724
Provisions	5,621,460	-	5,621,460
Total Current Liabilities	9,265,501	-	9,265,501
Non-current liabilities			
Provisions	200,042	-	200,042
Total non-current liabilities	200,042	-	200,042
TOTAL LIABILITIES	9,465,543	-	9,465,543

TABLE B – Pro-forma unaudited balance sheet as at 31 December 2023 if Offer is 75% subscribed			
		Adjustments (75% subscription)	Proforma on completion
NET ASSETS	7,405,486	9,612,251	17,017,737
EQUITY			
Contributed equity	165,047,847	9,612,251	174,66,0098
Reserves	5,689,762	-	5,689,762
Accumulated losses	(163,332,123)	-	(163,332,123)
Total Equity	7,405,486	9,612,251	17,017,737

Table C – pro-forma balance sheet assuming 50% subscription of Entitlements

The table below is the pro-forma balance sheet of the Company as at 31 December 2023 adjusted to reflect the following pro-forma transactions:

- 50% of Entitlement was taken up under the Entitlement Offer and approximately \$6.8 million was received from the issue of 59,279,994 New Shares;
- no Shares were issued pursuant to the exercise of existing Options on or before the Record Date; and
- payment of approximately \$409,000 million representing the expenses of the Offers.

TABLE C – Pro-forma unaudited balance sheet as at 31 December 2023 if Offer is 50% subscribed			
		Adjustments (50% subscription)	Proforma on completion
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9,697,202	6,408,167	16,105,369
Trade and other receivables	1,144,260	-	1,144,260
Inventories	3,294,275	-	3,294,275
Other current assets	689,955	-	689,955
Total Current Assets	14,825,692	6,408,167	21,233,859
NON-CURRENT ASSETS			
Property, plant and equipment	1,332,990	-	1,332,990
Intangible assets	538,953	-	538,953
Right of use assets	173,394	-	173,394
Total non-current assets	2,045,337	-	2,045,337
TOTAL ASSETS	16,871,029	6,408,167	23,279,196
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2,293,631	-	2,293,631
Lease liabilities	156,686	-	156,686
Other current liabilities	1,193,724	-	1,193,724
Provisions	5,621,460	-	5,621,460
Total Current Liabilities	9,265,501	-	9,265,501
Non-current liabilities			
Provisions	200,042	-	200,042
Total non-current liabilities	200,042	-	200,042

TABLE C – Pro-forma unaudited balance sheet as at 31 December 2023 if Offer is 50% subscribed			
		Adjustments (50% subscription)	Proforma on completion
TOTAL LIABILITIES	9,465,543	-	9,465,543
NET ASSETS	7,405,486	6,408,167	13,813,653
EQUITY			
Contributed equity	165,047,847	6,408,167	171,456,014
Reserves	5,689,762	-	5,689,762
Accumulated losses	(163,332,123)	-	(163,332,123)
Total Equity	7,405,486	6,408,167	13,813,653

(c) **Management discussion and analysis of proforma balance sheet**

The proforma balance sheet is not a forecast.

The actual financial position of the Company on completion of the Offers will differ from the position illustrated in the pro-forma balance sheets due to net expenditure during the period between 31 December 2023 and the date when the Offers are completed.

For example, from 31 December 2023 to 31 March 2024 there was a net decrease in cash of \$4.7 million and as at 31 March 2024 the Company's cash balance was \$4.9 million.

4 Risks

4.1 GENERAL

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, its products, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in the Company. Each of the risks set out below could, if it eventuates, have a materially adverse impact on the Company's operating performance, financial performance, financial position, liquidity, and the value of its shares and options.

4.2 SPECIFIC RISK FACTORS

The Directors believe that there are a number of specific factors that should be considered. Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position. These include:

(a) Funding Risk

The Company currently operates on a negative cash operating basis in that its operating expenses exceed its revenue.

Accordingly, the Company requires immediate funding to support its short term operational needs comprising scale up of the Thailand factory to manufacture the current Pod200/ ZBM3 product, initial development work and prototyping of the X-10 battery and for ordinary operational expenses and working capital. The Company believes that it has a strategy which if successfully executed will form the basis of a financially sustainable business. Until then, the Company will need to raise additional funds for its ordinary operations.

The Company's strategy relies on the successful establishment of an advanced manufacturing facility in conjunction with the development of the X-10 product by 2026 to enable it to manufacture X-10 batteries at scale and at a competitive cost to meet the needs of the utility scale LDES market. The execution of this manufacturing strategy will require significant additional funding in the near future. The Company is targeting non-dilutive government funding as the principal source of funding, with additional funding support from capital markets, including under the Offers.

The Company has been allocated grant funding from the Queensland Government's Queensland Critical Minerals and Battery Technology Fund to reimburse up to \$1.12 million the Company's eligible expenditure for a battery prototype and feasibility study for a Queensland Manufacturing Facility (**Funding Agreement**). If the Company cannot meet the reimbursement milestones as set out in the Funding Agreement, it will not be reimbursed for its eligible expenditure.

The Company has also commenced discussions with Federal and State governments and signed non-disclosure agreements for additional grant funding. However, there is no guarantee that definitive funding agreements will be agreed on acceptable terms and conditions or within a commercial timeframe.

There is also no guarantee that the Company will meet participant eligibility requirements for future government funding or that the funding priority of the government will remain the same, particularly if there is a change in government policy. Such change in government policy may also adversely impact demand for the Company's products, and therefore negatively affect the Company's cashflow and capital requirements.

If the Company is unable to obtain additional capital, it may be required to reduce the scope of its anticipated activities which could adversely affect its ability to execute its strategic and business plan, its business, prospects, financial condition and operating results. There is also a risk of default of its contractual commitments if they cannot be renegotiated.

(b) **Project Risks**

The Company has entered into supply contracts for multi-MWh projects to be delivered in the 2024 and 2025 calendar years. These supply contracts contain terms and conditions which are commonly found in capital equipment supply agreements of comparable size, nature and type including provisions for delivery schedules, price, commissioning and integration and performance parameters.

There are multiple events that can occur (including events outside of the Company's control) which may result in the Company or its counterparties not meeting their obligations under these supply contracts or for agreed delivery timelines to be delayed or not achieved.

If the Company does not meet its obligations, the Company may be exposed to claims for damages for breach of contract or other remedial action and incur remedial costs. This may damage the Company's reputation and consequently, its ability to secure future supply agreements.

(c) **Opportunity Conversion Risk**

The Company has a pipeline of commercial sales opportunities to supply batteries for multi-MWh projects in Australia and the United States. These opportunities are in various different stages of maturity comprising near term opportunities such as the supply of backlog orders, opportunities which moving to close, opportunities where there is active customer engagement and opportunities which are active proposals.

The Company relies on its ability to convert these opportunities into sales and then revenue. There is no guarantee that the Company will be successful in converting these opportunities into revenue either at all or on acceptable terms or within commercial timeframes. If these opportunities are not converted into revenue, this may have an adverse effect on the cashflow and financial performance and position of the Company.

The Company currently operates on a negative cash operating basis in that its operating expenses exceed its revenue. The Company's revenue depends on the extent and timing of future product sales and implementation of individual projects which may be affected by factors outside the Company's control such as tasks for which the customer is responsible. There is a risk that sales and revenue may take longer than expected to materialise or not be realised at all. For example, there are no guarantees that battery trials, system demonstrations, initial deployments or commercial scale projects, will be successful or, even if successful, will convert into firm orders or sales revenue on a timely basis.

(d) **Profitability Risk**

The Company is currently not profitable. However, it believes that it has a strategy and business plan which provides a path to profitability. There is no guarantee that the Company will be able to implement its strategies or plans or even if implemented, that the Company will become profitable.

(e) **Customer Payment Risk**

The Company has entered into supply contracts which allows customers to make payment on a staged basis after certain milestones are reached. There is a risk that customers will not pay on time or, if the customer becomes insolvent, pay at all. This may mean that the Company is not paid for work completed or batteries delivered/deployed. This will have a material adverse effect on the Company's financial position.

(f) **Manufacturing Cost Reductions**

The Company's business prospects are dependent on the development of its new X10 battery and its ability to manufacture the X10 battery at scale to reduce significantly the production costs of its batteries.

The Company believes that manufacturing cost reductions are achievable via technical improvements to its existing ZBM3 and Pod 200 Products, X10 Product benefits, automated stack production and other economies of scale.

There is no guarantee however that cost reductions will be successfully implemented or will be achieved. If the Company is unable to reduce its cost of production sufficiently, the Company may not achieve profitability.

Even if these cost reductions are achieved, there is no guarantee that the reductions will be sufficient to enable the Company to competitively price its batteries. Factors outside of the Company's control may mean that competitors also experience a reduction of their manufacturing costs. For example, if the price of lithium drops, the costs of producing lithium battery systems may also drop.

(g) **New Manufacturing Facility**

The Company currently manufactures its batteries in Thailand and its Thailand manufacturing facility will reach capacity in 2025. The Company is proposing to establish a new manufacturing facility with a highly automated stack production capability (for the X10 product) which is expected to reduce manufacturing costs.

The Company is currently undertaking a feasibility study for the establishment of the new facility in Queensland. If this is not feasible, the Company will need to investigate the feasibility of establishing the new facility in another jurisdiction. This may delay the production of the X10 product and negatively affect the Company's operations and cashflow and capital requirements.

Even if a new facility in Queensland is feasible, there is no guarantee that government or other funding will be available on acceptable terms for its design, construction and commission.

If funding can be obtained, there is also the risk that:

- (i) the design, construction and commission of the facility will be delayed or cost more than anticipated;
- (ii) the expected reduction in manufacturing costs may not occur when anticipated or at all, or may require significant additional unanticipated expenditure costs to achieve (e.g. purchasing additional equipment if equipment purchased does not perform as anticipated); or
- (iii) other unforeseen technical production issues occur following the commencement of operations at the new facility.

The occurrence of the above will have a material adverse effect on the Company's financial position.

(h) **Commercialisation Risk**

If the Company's battery technology is not adopted by its customers, or if its battery technology does not meet industry requirements for long duration energy storage capacity in an efficient and safe design, the Company's battery will not gain market acceptance.

Many other factors outside of the Company's control may also affect the demand for its battery and the viability of adoption of advanced battery applications, including:

- (i) performance and reliability of battery power products compared to conventional and other non-battery energy sources and products;
- (ii) success of alternative battery chemistries; and
- (iii) cost-effectiveness of the Company's products compared to products powered by conventional energy sources and alternative battery chemistries.

(i) **Product and Performance Risk**

The Company's products are complex and there have been instances of suboptimal performance in previous models of its battery which have been deployed. The Company has conducted research and testing to understand the issues and modified its current and future products with the aim of removing or reducing these issues.

However, there remains an inherent risk (as with any emerging technology) that the products and enhancements (including the ZBM3 battery and new X10 product) will contain defects or otherwise do not perform as expected (for example in terms of battery life and reliability). The Company undertakes product testing under laboratory and simulated field conditions, which aims to identify such problems before their release for field trials or use. Even after pre-release testing, there remains the risk of manufacturing or design defects, errors or performance problems that may only emerge over time and use in the field under operating conditions.

The Company provides a product warranty which is subject to a range of technical and operating conditions. However, the Company has not tested its battery over its operating life either in the field or in simulated conditions. If the Company's products fail to perform as expected or if production of the Company's products is subject to delays (including delays in the rollout of the new 10X product), the Company could lose existing and future business and its ability to develop, market and sell its battery and energy storage systems could be harmed.

Product defects or non-performance may also give rise to claims against the Company, diminish the brand or divert resources from other purposes, all of which could have a materially adverse impact on the Company financially and reputationally.

The Company's products will frequently be deployed in remote locations where reliability is important, and any defects or non-performance problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements (including the new X10 product), significant increases in service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to the Company's reputation, any of which may adversely affect its business and the Company's operating results.

The Company is dependent on the supply of raw materials for a number of different parts and components. While the Company follows a quality control process there are possible situations where the quality of raw materials supplied will adversely affect the performance of the product.

(j) **Technology Obsolescence Risk**

Rapid and ongoing changes in technology and product standards could quickly render the Company's products less competitive, or even obsolete if it fails to continue to improve the performance of its battery, its chemistry and battery management systems.

The Company continues to research, develop and manufacture zinc bromine flow batteries. The market for advanced rechargeable batteries is at a relatively early stage of development, and the extent to which the Company's zinc bromine batteries will be able to meet its customers' requirements and achieve significant market acceptance is uncertain.

One or more new, higher energy rechargeable battery technologies could be introduced which could be directly competitive with, or superior to, the Company's technology. Competing technologies that outperform the Company's battery could be developed and successfully introduced, and as a result, there is a risk that the Company's products may not be able to compete effectively in its target markets.

(k) **Reliance on system integrators as strategic partners**

The Company relies on key system integrators as strategic partners providing channels to market. A key part of its business plan is predicated on a steady expansion of the customer bases through development of its strategic system integrator relationships.

There may be a materially adverse effect on the Company if the market reputation of a system integrator suffers, if one or more of these strategic system integrator relationships is lost and not replaced or if a dispute arises between the Company and a systems integrator. There are also risks associated with being one step removed from the ultimate customer and end user, such as issues arising from installation of Redflow energy storage systems by an integrator.

The Company's system integrators may operate in multiple jurisdictions which are subject to differing regulatory requirements. There is a risk that these regulatory frameworks may expose the Company to obligations, claims and additional compliance costs in relation to its products, including storage, handling and disposal of chemicals.

(l) **Manufacturing risk - general**

There are risks which are inherent in manufacturing operations including machinery breakdowns, damage from flood and fire, below standard workmanship or materials, employee issues (including accidents), workplace health and safety and so on. Any adverse impact on production could have a materially adverse impact on the Company's ability to meet customer needs and the risk of customer claims and the Company's ability to achieve its expansion plans or its financial performance.

(m) **Manufacturing capacity risk**

As the Company will build its manufacturing capability based on its projection of future supply agreements, its business revenue and profits will depend upon its ability to enter into and complete these agreements, achieving competitive manufacturing yields and drive volume sales consistent with its demand expectations.

In order to fulfil the anticipated product delivery requirements of its potential customers, the Company will invest in capital expenditures in advance of actual customer orders, based on estimates of future demand. If market demand for the Company's products does not increase as quickly as it has anticipated and align with the Company's manufacturing capacity, or if the Company fails to enter into and complete projected development and supply agreements, the Company may be unable to offset these costs and to achieve economies of scale, which could materially affect its business and operating results.

Alternatively, if the Company experiences sales in excess of its estimates, it may be unable to support higher production volumes, which could harm customer relationships and overall reputation. The Company's ability to meet such excess customer demand could also depend on its ability to raise additional capital and effectively scale its manufacturing operations.

If the Company is unable to achieve and maintain satisfactory production yields and quality, its relationships with certain customers and overall reputation may be harmed, and its sales could decrease.

(n) **Manufacturing production and outsourcing risk**

The manufacturing and assembly of safe, long lasting batteries is a highly complex process that requires extreme precision and quality control throughout a number of production stages. Improving manufacturing processes will be an ongoing requirement both to reduce cost and improve battery performance and reliability by minimising manufacturing errors.

The Company has adopted a combination of outsourced and insourced component manufacturing of its battery parts to achieve the benefits of scalability, quality control, and cost efficiencies and to reduce its overall manufacturing risks (including the risk of damage to finished products when they are delivered from the factory to the customer).

The outsourced component of the Company's manufacturing strategy has associated risks. It means the Company is unable to directly control delivery schedules, quality assurance, manufacturing yields and production costs.

Any defects in battery packaging, impurities in the electrolyte or electrode materials used, contamination of the manufacturing environment, incorrect welding, excess moisture, equipment failure or other difficulties in the manufacturing process could cause batteries to be rejected or to fail in the field, thereby reducing yields and affecting the Company's ability to meet customer expectations.

Problems in the Company's manufacturing and assembly processes could limit its ability to produce sufficient batteries to meet the demands of potential customers.

(o) **Manufacturing personnel**

The Company's manufacturing capability depends on the recruitment and retention of skilled employees to produce quality batteries and meet customer demand.

There can be no assurance that the Company will be successful in attracting and retaining the skilled personnel necessary to meet current or any future demand for product. The inability to attract and retain qualified personnel could have a materially adverse impact on the Company.

(p) **Regulatory and compliance risk**

The Company uses hazardous substances including zinc bromine, zinc chloride and hydrochloric acid in the manufacture of its batteries. Various regulatory requirements apply to the storage, handling and disposal of such chemicals. The Company must also comply with prescribed product standards in the various jurisdictions in which it operates, that are relevant to the manufacture, installation and operation of its battery. This includes UL certification in the United States, which is considered to be essential for large scale deployments and battery programs.

There is a risk that the Company will be unable to comply with the regulatory requirements imposed on its batteries or that the cost of compliance will exceed expectations and have an adverse impact on the financial position of the Company. This may prevent the Company from accessing markets in certain jurisdictions.

(q) **Sovereign Risk**

The Company's manufacturing operations in Thailand and a number of overseas battery deployment projects are subject to the risks associated in operating in foreign emerging countries. These risks may include economic, social or political instability or change, hyperinflation, or changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, export duties, capital controls, repatriation of income or return of capital, environmental protection, labour relations and government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. No assurances can be given that the co-operation of such authorities, if sought by the Company, will be obtained, and if obtained, maintained.

It cannot be ruled out that the government of Thailand (or any other foreign jurisdiction in which the Company operates) may adopt substantially different laws, policies or conditions relating to foreign investment and taxation. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future materially adverse changes in government policies or legislation in Thailand (or any other foreign jurisdiction in which the Company operates) in relation to foreign investment and ownership may affect the viability and profitability of the Company.

(r) **Supply risk**

The Company's manufacturing operations depend on obtaining raw materials, parts and components, manufacturing equipment and other supplies, including services from reliable suppliers (including transport services) in adequate quality and quantity, in a timely manner. It may be difficult for the Company to substitute one supplier for another, increase the number of suppliers or change one component for another in a timely manner or at all due to the interruption of supply or increased industry demand. This may adversely affect the Company's operations.

The prices of raw materials, parts and components and manufacturing equipment may increase due to changes in supply and demand and global or other macroeconomic events such as the Ukraine Conflict, Gaza Conflict and supply chain constraints. In addition, currency fluctuations and the weakening of the Australian dollar against foreign currencies may adversely affect the Company's purchasing power for raw materials, parts and components and manufacturing equipment from foreign suppliers.

If the Company is unable to secure key supply inputs in a timely and economically acceptable manner, it could have a materially adverse effect on its ability to meet customer demand and sell batteries profitably.

(s) **Warranty risk, product liability and extended life cycle testing risk**

There is an inherent risk of defective workmanship or materials in the manufacture of the Company's products and for exposure to product liability for damages suffered by third parties attributable to the use of the product.

Defective products may have a materially adverse impact on the Company's reputation, its ability to achieve sales and commercialise its products and on its financial performance due to warranty obligations. It may also give rise to product liability claims. The Company will mitigate this risk via the usual contractual provisions which exclude liability for consequential loss and so on, but it is not possible to protect the Company against reputational loss.

The Company provides a product warranty which is subject to a range of technical and operating conditions. The battery has not however been tested over its full operating life either in the field or in simulated conditions.

The warranty provision was revised conservatively following management's assessment of the number of batteries sold under warranty, battery performance, potential contract exposure and the costs of meeting warranty obligations, based on historical experience and current knowledge. However, there is still a risk that the warranty provision is insufficient. Warranty claims against the Company in excess of the warranty provision will have an adverse effect on the Company's financial position.

(t) **Intellectual property and patent risk**

The ability of the Company to maintain protection of its proprietary intellectual property and operate without infringing the proprietary intellectual property rights of third parties is an integral part of the Company's business.

To protect its proprietary intellectual property, the Company has patents through its wholly owned subsidiary, Redflow R&D Pty Ltd. In addition, the Company has patent applications are at various stages of the examination process in various jurisdictions. There is a risk that some or all of the patent applications will not be accepted, either in Australia or overseas and that other persons may be able to commercially exploit the proprietary intellectual property.

The granting of protection such as a registered patent does not guarantee that the rights of third parties are not infringed or that competitors will not develop technology to avoid the patent. Patents are territorial in nature and patents must be obtained in each and every country where protection is desired. There can be no assurance that any patents which the Company may own or control will afford the Company significant protection of its technology or its products have commercial application.

Competition in obtaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to disputes. The Company has, and may in the future, enter into commercial agreements under which intellectual property relevant to the Company and its ZBM3s, and which is created by the counterparty or jointly created by the Company and the counterparty, will not be owned exclusively by the Company. In these circumstances the Company will seek to negotiate an appropriate licence to use any such intellectual property.

There is a risk that such newly created intellectual property not exclusively owned by the Company, will be material to the Company and there is no guarantee that the Company will be able to enter into appropriate agreements to use it either at all or on commercially acceptable terms and conditions, or on a timely basis. The inability to secure rights to use such intellectual property could have a material impact on the Company's ability to sell or otherwise commercialise its products, and its financial performance.

(u) **Reverse engineering risk and trade secret risk**

There is a risk of the Company's products and battery management system being reverse engineered or copied. The Company relies on trade secrets to protect its proprietary technologies, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The Company relies in part on confidentiality agreements with its employees, contractors, consultants, outside scientific collaborators and other advisors to protect its trade secrets and other proprietary information.

These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect the Company's competitive business position.

(v) **Information technology**

The Company relies heavily on its computer hardware, software and information technology systems. Should these not be adequately maintained, secured or updated or the Company's disaster recovery processes not be adequate, system failures may negatively impact on its performance.

(w) **Dividends**

There is no guarantee as to future earnings of the Company or that the Company will be profitable at any time in the future, and there is no guarantee that the Company will be in a financial position to pay dividends at any time in the future.

(x) **Personnel risk**

The Company may not be able to successfully recruit and retain skilled employees, particularly scientific, technical and management professionals.

The Company believes that its future success will depend in large part on its ability to attract and retain highly skilled technical, managerial and marketing personnel who are familiar with its key customers and are experienced in the battery industry. Industry demand for employees with experience in battery chemistry and battery manufacturing processes exceeds the number of personnel available, and the competition for attracting and retaining these employees is intense. This competition will intensify if the advanced battery market continues to grow, possibly requiring increases in compensation for current employees over time.

The Company cannot be certain that it will be successful in attracting and retaining the skilled personnel necessary to operate its business effectively in the future. Due to the highly technical nature of its battery, the loss of any significant number of the Company's existing engineering and project management personnel could have a materially adverse effect on its business and operating results.

The Company relies heavily on its senior executives and engineering team. There can be no assurance that the Company will be able to retain its key personnel or recruit suitable technical staff as replacements. The loss of key personnel could have a materially adverse impact on the Company.

(y) **Exchange rates**

The Company is potentially exposed to movements in exchange rates. The Company's financial statements are expressed and maintained in Australian dollars. However, a portion of the Company's income and costs are earned in foreign currencies and this proportion may increase materially. Exchange rate movements affecting these currencies may impact the profit and loss account or assets and liabilities of the Company (to the extent the foreign exchange rate risk is not hedged or not appropriately hedged) and the general competitiveness of the Company's products in the market.

4.3 **GENERAL RISK FACTORS**

(a) **Share market and liquidity risk**

No assurances can be given of the price at which the shares offered under the capital raising will trade or that they will trade at all. The Company's shares may trade on the ASX at higher or lower prices than the price at which shares are issued. Investors who decide to sell newly acquired shares after the capital raising may not receive the amount of their original investment. The price at which newly acquired shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

The Company will apply for quotation of the Shares offered under the Offers.

As the Company will not apply for quotation of the Attaching Options, there is unlikely to be a viable market for the Attaching Options and sale or transfer of the Attaching Options may be difficult.

(b) **Dependence on general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a materially adverse impact on the Company's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the Company's earnings and financial performance.

There are also other changes in the domestic and global macroeconomic environment that are beyond the control of the Company and may be exacerbated in an economic recession or downturn. These include but are not limited to (i) high inflation and rising interest rates; (ii) changes in foreign currency exchange rates; (iii) changes in employment levels and labour costs; (iv) changes in aggregate investment and economic output; and (v) other changes in economic condition which may affect the revenue or costs of the Company.

(c) **Ukraine and Gaza Conflicts**

The war between Ukraine and Russia (**Ukraine Conflict**) and Israel and Palestine (**Gaza Conflict**) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict and Gaza Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict and Gaza Conflict.

The Ukraine Conflict and Gaza Conflict has potential secondary and tertiary macroeconomic impacts, including the changes in pricing of commodity and energy markets, effects on global supply-chain and freight movements which would impact the supply of raw materials and delivery of finished goods and the potential of cyber activity impacting governmental or industry measures taken in response to the Ukraine Conflict and Gaza Conflict.

(d) **Tax risk**

Any change to the company income tax rate in jurisdictions in which the Company operates will impact on shareholder returns, as will any change to the income tax rates applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

(e) **Legislative and regulatory changes**

Legislative or regulatory changes in jurisdictions in which the Company operates, including property or environmental regulations or regulatory changes in relation to products sold by the Company, could have an adverse impact on the Company.

5 Rights attaching to securities

5.1 Rights attaching to New Shares

(a) **General**

The rights and liabilities attaching to New Shares are set out in the Company's constitution and are regulated by the Corporations Act, the Listing Rules, the rules of ASX Settlement and the general law. Set out below is a summary of the principal rights and liabilities attaching to New Shares. This summary is not exhaustive and is not a definitive statement of the rights and liabilities of Shareholders.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share.

(c) **General Meeting and Notices**

Each Shareholder is entitled to receive notice of, and to attend and vote at, the Company's general meetings and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the Listing Rules.

(d) **Dividends**

Subject to any special rights or restrictions attached to any Shares, the Directors may from time to time at their discretion, declare or determine, and pay dividends in the manner prescribed by law.

The Company shall not be liable for any interest in respect of dividends payable to Shareholders.

(e) **Variation of Class Rights**

At present, the Company only has ordinary Shares on issue and has no current plans to create further classes of Shares. The rights and restrictions attaching to a class of the Company's Shares can only be altered with the consent or a special resolution passed at a separate meeting of the holders of that class of share by 75% of those holders, who, being entitled to do so, vote at that meeting or with the written consent of members with at least 75% of votes in the class.

(f) **Further Issues of Shares and Options**

The Directors may issue Shares or options over Shares, and other securities of, the Company. Any share, option or other security in the capital of the Company may be issued with such preferred, deferred or other special rights or restrictions, whether with regards to dividends, voting, return of capital, payment of calls, redemption, conversion or otherwise, as the Directors may decide.

(g) **Winding Up**

If, on winding up of the Company, there remains a surplus, that surplus will, subject to the terms of issue of each share, the Act, the Listing Rules, and any agreement between a Shareholder and the Company to the contrary, be divided amongst the Shareholders in proportion to the amounts paid up on their Shares.

(h) **Small Holdings**

The Directors may resolve to deliver a notice to a Shareholder who holds less than a marketable parcel of shares (**Small Holding**). The notice must advise the Shareholder that the Company intends to sell the Small Holding and state that unless the Shareholder advises the Company before the relevant date the Small Holding will be sold.

(i) **Buy Backs**

Subject to applicable laws, in particular the Corporations Act and the Listing Rules, the Company may buy back shares on such terms and at times as the Board may determine from time to time.

(j) **Transfer of Shares**

Subject to the Listing Rules and the constitution, the shares are transferable in accordance with CHESS (for CHESS Approved Securities), by instrument in writing in any usual or common form or in any other form that the Directors approve.

(k) **Directors**

The Board may appoint additional Directors to fill a casual vacancy. At each of the Company's annual general meetings, one-third of the Directors (or, if the number of Directors is not a multiple of three, then the number nearest but not exceeding one-third) and any other Director who has held office for three years or more must retire from office. A retiring Director is eligible for re-election. Any Managing Director is exempted from retirement by rotation.

(l) **Indemnities and Insurance**

The Company must to the extent permitted by law and subject to the Corporations Act, indemnify current and past officers of the Company and of any wholly-owned subsidiary of the Company against any liability for costs and expenses incurred by the person in defending any proceedings in which judgment is given in that persons favour, or which the person is acquitted, or in connection with an application in relation to any proceedings in which a court grants relief to the person under the Corporations Act. The Company may pay or agree to pay the premium on a policy of insurance in respect of a person who is or has been an officer of the Company to the extent permitted by law.

(m) **Amendment of the Constitution**

The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the members of the Company. The Company's constitution does not impose any further requirements to be complied with to effect a modification of the constitution, or to repeal it.

5.2 **Rights attaching to Attaching Options**

(a) **Entitlement**

Subject to and conditional upon any adjustment in accordance with these conditions, each Attaching Option entitles the holder to subscribe for 1 fully paid Share upon payment of the Exercise Price.

(b) **Exercise Price**

The exercise price for the Attaching Options is \$0.20 per Attaching Option (**Exercise Price**).

(c) **Exercise Period**

An Attaching Option is exercisable at any time on or before 5pm (Brisbane time) on 15 April 2026 (**Exercise Date**). Attaching Options not exercised by the Exercise Date lapse.

(d) **Manner of exercise of Attaching Options**

Each Attaching Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Attaching Options that may be exercised at any one time is the lower of 100,000 or if the remaining balance is less than 100,000 Attaching Options, then that remaining balance. Payment of the Exercise Price for each Attaching Option must accompany each notice of exercise of Attaching Options. All cheques must be payable to the Company and be crossed 'not negotiable'.

(e) **Ranking of Shares**

Shares issued on the exercise of Attaching Options will rank equally with all existing Shares on and from the date of issue in respect of all entitlement offers, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

(f) **Timing and issue of Shares**

After an Attaching Option is validly exercised, the Company must within 5 business days after the day that the Attaching Option was exercised:

- (i) issue and allot the Share; and
- (ii) do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX.

(g) **Attaching Options transferrable**

Attaching Options may be transferred in the same manner as Shares and may be exercised by any other person or body corporate. The Attaching Options are not being listed on the ASX.

(h) **Participation in new issues**

An Attaching Option holder may participate in new issues of securities to holders of Shares only if and to the extent that:

- (i) an Attaching Option has been exercised; and
- (ii) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

(i) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on exercise of the Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Option holder had exercised the Attaching Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) **Reconstructions**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of an Attaching Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

If there is any reconstruction of the issued share capital of the Company, the number of shares to which a holder of Attaching Options is entitled, and/or the Exercise Price, must be reconstructed in a manner which complies with the Listing Rules (which will not result in any benefits being conferred on that Option holder which are not conferred on shareholders and subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), but in all other respects, the terms for the exercise of an Attaching Option will remain unchanged.

6 Additional information

6.1 Prospectus availability

Shareholders can obtain a copy of this Prospectus on the Company's website at <https://redflow.com/asx-announcements>. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Application Form. You will only be entitled to accept the Entitlement Offer by completing and returning your personalised Application Form, which accompanies this Prospectus, or by making payment via BPAY® using the information provided on your personalised Application Form (refer to section 2 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

6.2 Continuous disclosure and inspection of documents

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of the securities in the Company.

Having taken such precautions and having made all enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify ASX of information about specific events or matters as they arise, for the purpose of ASX making that information available to the market conducted by ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities, or options to acquire securities, in a class which has been continuously quoted by ASX at all times during the 12 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the terms and conditions of the Offers, the effect of the Offers on the Company and the rights and liabilities attaching to the New Shares and Attaching Options and the underlying securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer period:

- (a) The annual financial report for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which was lodged with ASX on 24 October 2023. A copy of the 2023 Annual Report is available at <https://redflow.com/financial-reports>.

- (b) The half year financial report for the half-year ended 31 December 2023 (being a half-year financial report lodged with the ASIC after the lodgement of the annual financial report in (a) and before the issue of this Prospectus), a copy of which was lodged with ASX on 29 February 2024. A copy of the half year report is available at <https://redflow.com/asx-announcements>.
- (c) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to above and before the lodgement with ASIC of a copy of this Prospectus. These include the following announcements:

Date lodged	Announcement
31 October 2023	Quarterly Activities/Appendix 4C Cash Flow Report
1 November 2023	Redflow Q1 FY2024 Update Webinar
7 November 2023	Application for Quotation of Securities – RFX
13 November 2023	Company Secretary Appointment/Resignation
23 November 2023	RFX AGM Chairman's Address to Shareholders
23 November 2023	RFX AGM CEO's Address to Shareholders
23 November 2023	Results of Meeting
19 December 2023	Appointment of CFO
21 December 2023	Notification Regarding Unquoted Securities – RFX
21 December 2023	Change of Director's Interest Notice – T Harris
15 January 2024	Notification of Cessation of Securities – RFX
29 January 2024	Notification – Redflow Quarterly Investor Briefing
30 January 2024	Pause in Trade
30 January 2024	H1 FY24 Results Guidance
30 January 2024	Quarterly Activities / Appendix 4C Cash Flow Report
30 January 2024	Investor Presentation – Q2 FY24 Quarterly Results
6 February 2024	6.6MWh US Project Recommended for Grant Funding
12 February 2024	Notice to Proceed for 15MWh Microgrid Project in US
28 February 2024	Notification - HY Results briefing
29 February 2024	Half Yearly Report and Accounts
29 February 2024	Grant awarded for feasibility study
29 February 2024	H1 FY24 results presentation
8 March 2024	Notification – Investor webinar
11 March 2024	Strategy update
25 March 2024	Awarded remote grid project by Horizon Power
25 March 2024	Notification of cessation of securities - RFX

This Prospectus contains details specific to the Offers. If Investors require any further information in relation to the Company, the Directors recommend that those persons take advantage of the ability to inspect or obtain copies of the documents referred to above.

6.3 Interests of Directors

Except as disclosed in this Prospectus, no Director:

- (a) holds or has held in the last two years before the lodgement of this Prospectus with ASIC any interest in:
 - (i) the formation or promotion of the Company; or
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
 - (iii) the Offer under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
 - (i) to induce them to become or to qualify as a Director; or
 - (ii) for services rendered by them in connection with the formation or promotion of the Company or the Offer under this Prospectus.

6.4 Director Remuneration

Mr Tim Harris is engaged under contract as the Executive Director and Chief Executive Officer of the Company and is entitled to receive remuneration and benefits under that contract. Messrs Johnson, Fraser, Lindsay and Brant are entitled to receive non-executive director fees.

Pursuant to clause 17.11 of the Company's Constitution, the total maximum remuneration of non-executive Directors is a fixed sum determined by a general meeting of Shareholders. At the Annual General Meeting on 24 November 2017, Shareholders approved an aggregate amount of \$400,000 per annum for Director fees.

Directors' remuneration for the last two years was as follows:

Director	Salary and fees (\$)		Other (\$)		Total (\$)	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022*
Tim Harris	430,000	430,000	241,656	118,740	671,656	548,740
Brett Johnson	100,000	98,333	10,500	118,166	110,500	216,499
Adele Fraser	21,611	-	2,269	-	23,880	-
John Lindsay	53,280	53,280	5,594	63,048	58,874	116,328
David Brant	53,280	53,280	5,594	63,048	58,874	116,328

**This includes cash remuneration as set out in 'Salary and fees'. The balance represents the value of equity based remuneration.*

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. Directors may also be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by Shareholders.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as Director.

6.5 Shareholdings and option holdings of Directors

The Directors are not required under the Company's Constitution to hold any Shares in the Company. The following table sets out the relevant interests in Shares and Options held by each Director as at the date of this Prospectus:

Director	Shares held directly	Shares held indirectly	Options held (directly and indirectly)	Performance Rights (directly and indirectly)
Tim Harris	1,176,219	279,565	-	2,580,000
Brett Johnson	255,779	-	416,667	-
Adele Fraser	-	-	-	-
John Lindsay	-	695,448	222,000	-
David Brant	-	250,000	222,000	-

6.6 Disclosure of interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offer.

Thomson Geer has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Thomson Geer \$35,000 (plus GST and disbursements) for these services. The Company has also paid Thomson Geer for the provision of legal services at their usual charge out rates and time cost basis.

6.7 Taxation

Taxation implications will vary depending upon the specific circumstances of individual Shareholders. It is the responsibility of all Eligible Shareholders to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers. Neither the Company nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offer.

6.8 Privacy

You may provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use your personal information in order to service your needs as a Shareholder and/or Optionholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. The Company and the Registry may disclose your personal information for purposes related to your shareholding or optionholding to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Registry for ongoing administration of the register; and
- (b) printers and mailing houses for the purposes of preparation and distribution of Shareholder and Optionholder information and for handling of mail.

By submitting an Application Form, each Participating Shareholder agrees that the Company may use the information provided by a Participating Shareholder on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) the Company or the Registry. You can request access to your personal information by telephoning or writing to the Company through the Registry on 1300 737 760 (in Australia) or +61 2 9290 9600 (International) or email at enquiries@boardroomlimited.com.au.

6.9 Consents and disclaimers

None of the persons named below has authorised or caused the issue of this Prospectus or made any statement that is included in this Prospectus, or any statement on which a statement made in this Prospectus is based, except as stated below. Each of the persons named below expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given below.

Thomson Geer has given its written consent to being named as Australian legal advisers to the Company in this Prospectus. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Boardroom Pty Ltd has given its written consent, and has not withdrawn its consent, to be named as Share Registry in the form and context in which it is named in this Prospectus.

6.10 Future performance and forward looking statements

This Prospectus may contain forward looking statements with respect to the financial condition, results of operations, projects and business of Redflow. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. Redflow gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved or that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Entitlement Offer.

6.11 Past performance

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX.

6.12 Expenses of the Offer

The estimated costs of the Offer, including advisory and legal fees, as well as printing, advertising and other expenses are currently estimated to be approximately \$810,000 comprising ASIC lodgement fees, advisory and legal fees, printing and dispatch fees.

6.13 Governing law

This Prospectus and the contracts that arise from Acceptances and other applications for Shares or options are governed by the laws of Queensland.

6.14 Electronic prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send to you, free of charge, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at <https://redflow.com/asx-announcements>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6.15 Enquiries

If you are uncertain about any aspect of this Prospectus, including whether the Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

6.16 Expiry date

No New Shares or Attaching Options will be offered on the basis of this Prospectus later than 13 months after the date of this Prospectus.

6.17 Consent to lodgement

This Prospectus is issued by the Company. Each Director has consented (and has not withdrawn their consent) to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

This Prospectus is authorised by each of the Directors.

6.18 Handling fees

The Company may consider on a case by case basis paying handling fees of up to 1.5% by prior agreement to brokers for Application Forms lodged by them on behalf of Eligible Shareholders.

7 Glossary

Acceptance means a valid Shareholder Application Form to subscribe for New Shares and Attaching Options under the Entitlement Offer and Shortfall Offer.

Additional Shares means New Shares that Eligible Shareholders may apply for in excess of their Entitlement under section 2.3 of this Prospectus.

Application Form means the personalised entitlement and acceptance form to be used by Eligible Shareholders in connection with the Entitlement Offer, attached to or accompanying this Prospectus.

Application Money means monies received from Eligible Shareholders in respect of their Acceptances in relation to the Entitlement Offer or Shortfall Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited.

ASX Settlement Operating Rules means settlement rules of ASX Settlement (as amended from time to time).

Attaching Option means a free Option to subscribe for 1 Share in the Company, issued under the Entitlement Offer or Shortfall Offer, exercisable at \$0.20 on or before 15 April 2026 on the terms and conditions set out in section 5.2 of this Prospectus.

Board and **Board of Directors** means the Directors of the Company acting as a board.

CHESS means the Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.

Closing Date means the date on which the Entitlement Offer, being 5.00pm (Sydney time) on Tuesday, 21 May 2024 or such other date as Directors determine in accordance with this Prospectus.

Company or **Redflow** means Redflow Limited ACN 130 227 271.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means each director of the Company at the date of this Prospectus.

Dollars, \$ and A\$ means Australian dollars unless otherwise indicated.

Eligible Shareholder means a Shareholder described in section 1.2 of this Prospectus.

Entitlement means each Eligible Shareholder's right under the Entitlement Offer to subscribe for 1 New Share at the Offer Price for every 2 Shares recorded in their name on the Register on the Record Date and for every 2 New Shares subscribed, to receive 1 Attaching Option.

Entitlement Offer means the non-renounceable pro-rata entitlement offer of Shares and Attaching Options to Eligible Shareholders contained in this Prospectus.

Ineligible Shareholder means a Shareholder that is not an Eligible Shareholder.

Listing Rules means the listing rules of ASX as in force from time to time.

New Shares means the Shares offered under the Entitlement Offer or Shortfall Offer.

Offer means the Entitlement Offer or the Shortfall Offer, as applicable and **Offers** means each Offer.

Offer Price means 11.5 cents per New Share.

Option means an option to subscribe for unissued Shares.

Optionholder means a holder of an Option.

Participating Shareholder means an Eligible Shareholder who has accepted the Entitlement Offer by completing the Application Form and returning it together with the applicable Application Money to the Registry.

Prospectus means this document (including any electronic form of this Prospectus), and any supplementary or replacement prospectus in relation to this document.

Quotation means official quotation of Shares on ASX.

Record Date means 7.00pm (Sydney time) on Thursday, 18 April 2024.

Register means the Company's register of members or optionholders, as the context requires.

Registry means Boardroom Pty Limited.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall Offer means the invitations to subscribe for Shortfall Shares and Attaching Options contained in this Prospectus.

Shortfall Shares means New Shares available under the Entitlement Offer that are not subscribed for by Eligible Shareholders by the Closing Date.

References to time are references to Sydney time.

Corporate Directory

Directors

Mr Brett Johnson – Non-Executive Chairman
Mr Tim Harris – Managing Director and Chief Executive Officer
Ms Adele Fraser – Non-Executive Director
Mr John Lindsay – Non-Executive Director
Mr David Brant – Non-Executive Director

Company Secretary

Mr Adam Gallagher

Senior management

Mr Michael Hipwood – Chief Financial Officer
Mr Tim MacTaggart – Chief Operating Officer
Mr Steve Hickey – Chief Technology Officer
Mr Mark Higgins – Chief Commercial Officer & President North America
Mr Juergen Reitz – Chief Engineer
Mr Eric Chainet – General Manager

Registered office

1/27 Counihan Road
Seventeen Mile Rocks
Brisbane, QLD 4073
Telephone: +61 7 3376 0008
Facsimile: +61 7 3376 3751

Share Registry

Boardroom Pty Limited
Grosvenor Place
Level 12, 225 George Street
Sydney NSW 2000
Telephone:
1300 737 760 (in Australia)
+61 2 9290 9600 (International)
Email: enquiries@boardroomlimited.com.au
Web: <https://boardroomlimited.com.au/>

Website

<http://www.redflow.com>

Legal advisors

Thomson Geer Lawyers
Level 28, Waterfront Place
1 Eagle Street
Brisbane QLD 4000