



28 October 2016

### **Appendix 4C**

Attached is the Appendix 4C report for Redflow Limited (**Redflow**) for the quarter ended 30 September 2016.

The September quarter cashflow reflects a material non-recurring net cash outflow due to expenditure incurred to build up Redflow's inventory of raw materials and ready for sale finished goods being manufactured for Redflow by Flex.

During the current quarter, Redflow expects to receive an R&D tax refund (estimated at about \$2 million) in relation to R&D activity undertaken in the 2016 financial year.

As previously announced to the market, shipments of new ZBM2 batteries have started to arrive. Those new batteries are being deployed in the first installations of ZCell energy systems in Australia, along with installations into telco and commercial installations in other markets and other countries.

As our product is new to the market and is technically different to existing batteries, our priority for the balance of this calendar year is to ensure the highest possible production quality of finished goods from our manufacturer by, among other initiatives, extending in-factory testing time prior to shipment. We are working closely with our installation partners as they receive and install our products to ensure that each of these 'first of type' installations are successful and sets the appropriate precedent for subsequent installations.

Redflow continues to monitor its working capital requirements closely and considers that there is a reasonable basis to believe that it will be able to secure additional funding for its operations should that become appropriate or necessary to support the next stages of the delivery of its products to the market.

For further information contact

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**RedFlow Limited**

ABN

**49 130 227 271**

Quarter ended ("current quarter")

**Sep-16**

### Consolidated statement of cash flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers	-64	-64
1.2	Payments for		
	(a) staff costs	-646	-646
	(b) advertising and marketing	-514	-514
	(c) research and development	-775	-775
	(d) leased assets		
	(e) other working capital	-2,383	-2,383
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	24	24
1.5	Interest and other costs of finance paid	-7	-7
1.6	Income taxes paid		
1.7	Other (R&D Tax Claim refund)	0	0
1.7	Other (Corporate Advice)		
	Other (R&D Grant Received)	15	15
1.7	Other (Termination Payments)	-154	-154
<b>Net operating cash flows</b>		<b>-4,504</b>	<b>-4,504</b>

Quarterly report for entities  
admitted on the basis of commitments

		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
1.8	Net operating cash flows (carried forward)		
	<b>Cash flows related to investing activities</b>		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property	-127	-127
	(d) physical non-current assets	-15	-15
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	0	0
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	<b>Net investing cash flows</b>	-142	-142
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>-4,646</b>	<b>-4,646</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	0	0
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	0	0
1.18	Repayment of borrowings	-6	-6
1.19	Dividends paid		
1.20	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>-6</b>	<b>-6</b>
	<b>Net increase (decrease) in cash held</b>	<b>-4,652</b>	<b>-4,652</b>
1.21	Cash at beginning of quarter/year to date	12,355	12,355
1.22	Exchange rate adjustments on cash held	-105	-105
1.23	<b>Cash at end of quarter</b>	<b>7,598</b>	<b>7,598</b>

+ See chapter 19 for defined terms.

24/10/2005

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	539
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter	Previous quarter
		\$A'000	\$A'000
4.1	Cash on hand and at bank	7,598	12,329
4.2	Deposits at call		26
4.3	Bank overdraft		
4.4	Other (provide details) (Interest Accrued)		
<b>Total: cash at end of quarter (item 1.23)</b>		<b>7,598</b>	<b>12,355</b>

**Acquisitions and disposals of business entities**

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

**Compliance statement**

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here:

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Company Secretary

Date: 28 October 2016

Print name: Ricard Aird