

redflow



Q3 FY24 Quarterly Results

1 May 2024

Important information

This presentation has been prepared by Redflow Limited ("Redflow"). It contains general information about Redflow as at the date of this presentation. The information in this presentation should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in Redflow may require in order to determine whether to deal in shares. The information in this presentation is of a general nature only and does not purport to be complete.

This presentation does not take into account the financial situation, investment objectives, tax situation or particular needs of any person and nothing contained in this presentation constitutes investment, legal, tax or other advice, nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act 2001 (Cth).

Readers or recipients of this presentation should, before making any decisions in relation to their investment or potential investment in Redflow, consider the appropriateness of the information having regard to their own objectives and financial situation and seek their own professional legal and taxation advice appropriate to their particular circumstances.

This presentation is for information purposes only and does not constitute or form part of any offer, invitation, solicitation or recommendation to acquire, purchase, subscribe for, sell or otherwise dispose of, or issue, any shares. Further, this presentation does not constitute investment advice, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward-looking statements. You can identify these statements by the fact that they use words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future earnings and estimates, are provided in this presentation as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements. No representation, warranty or assurance (express or implied) is given or made by Redflow that the forward-looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, Redflow disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this presentation shall under any circumstances create an implication that there has been no change in the affairs of Redflow since the date of the presentation.

Except for any statutory liability which cannot be excluded, Redflow and its respective officers, employees and advisers expressly disclaim all liability (including negligence) for any direct or indirect loss or damage which may be suffered by any person in relation to, and take no responsibility for, any information in this presentation or any error or omission therefrom, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this presentation.

By attending an investor presentation or briefing, or by accepting, accessing or reviewing this presentation, you acknowledge and agree to the terms set out in this disclaimer.

Speakers



Tim Harris

CEO and Managing Director



Michael Hipwood

Chief Financial Officer

Summary



- + New projects announced – Horizon Power, second DoD Project, US CEC/Barona LDES project.
 - + Announced projects ~62 MWh with continued progress on key projects.
 - + Qualified pipeline ~1.6 GWh (excl. initial prospects) and increasing market visibility.
-



- + Manufacturing on track. Achieved ~3.5 MWh p.a. in March , targeting ~20 MWh p.a. in June/July 2024 and ~40 MWh p.a. in Sept 2024.
 - + Ongoing engineering projects to increase productivity, quality and reduce cost.
 - + Feasibility study for manufacturing facility in Queensland and development of a large-scale system.
-



- + Highly experienced executives join Redflow during quarter.
- + Entitlement Offer launched.

Key projects announced



Second contract with US Department of Defense (DoD) – April 2024

- + Redflow to supply 400 kWh non-lithium energy storage solution at Sigonella Naval Air Station in Italy.
- + Second contract Redflow has been awarded by the DoD and within 12 months of our first project win.
- + Redflow continues to work with the DoD around further opportunities
- + Redflow expects to deliver these systems in Q2 FY25.



Awarded first remote grid project by Horizon Power – March 2024

- + Redflow selected to supply and install an initial 400 kWh Battery Energy Storage System to support their remote community grid network.
- + Focus on the temperature resilience of the technology.
- + Redflow expects to deliver these systems in Q2 FY25.



Barona LDES project – February 2024

- + Preferred battery technology for a 6.6 MWh project recommended for grant funding in the US.
- + Redflow's zinc-bromine battery technology was identified as the preferred energy storage technology for the AUD\$20.1m Barona Community LDES Project by the California Energy Commission (CEC) for grant negotiation.
- + Redflow expects its revenue on this project on to be approximately \$5 million in FY26..

Key projects on track for delivery and revenue

Financial impact¹



Paskenta Microgrid project 15 MWh

Phase One adjusted based on final budget allocation. Formal notice to proceed has been provided to Faraday Microgrids from the CEC and passed onto Redflow. Redflow expects to receive the initial deposit of AUD\$6.42m imminently. Adjusted delivery timetable indicates battery production and delivery expected to commence in Q2 FY25.

~\$12.5m in FY25²



Energy Queensland project 4 MWh

Contract negotiation for this 4 MWh project is in its final stages with final signed contracts expected shortly with delivery expected across Q4 FY2024 and Q1 FY2025.

~\$2.5m in FY25³



Acciona project 200 kWh

Redflow's Energy Pod and batteries was installed over the quarter by Redflow's deployment team at the Acciona Innovation Centre in Spain

~\$150k in FY24²



US DOD Microgrid project 1.2 - 1.4 MWh

Engineering and design is on track to meet the US DoD milestones, with system delivery expected in Q2 FY25.

~\$1.7m in FY25²



US DOE Valley Children's Hospital project ~34 MWh

Negotiations between the US DOE, CEC, Faraday and the end customer for this 34 MWh LDES project are continuing and Redflow expects final contracting to be completed in H1 FY25.

~\$25m in FY26/7³

Juergen Reitz joins Redflow as Chief Engineer



I am extremely excited to be joining Redflow at this important time, as the company looks to ramp up production of the ZBM battery.

After spending nearly two decades at the Ford Motor Company, I bring a strong foundation in global best practice manufacturing, engineering and management, which will help me build on and guide the Redflow engineering team to deliver the next generation of product.

Juergen Reitz
Chief Engineer



Production update

Redflow Thailand production on track

- + New injection molded collector in production
- + Annualised volume of ~3.5 MWh at end March 2024
- + Other engineering projects implemented – CNC machine, new tank

Immediate scale up plans proceeding

- + Targeting ~20 MWh p.a. by June/July 2024 and ~40 MWh p.a. by September 2024.
- + Further scale at Redflow Thailand beyond 40 MWh p.a. program will be driven by customer contracts and timing
- + Set of productivity and efficiency projects underway – including spray line, test bays.

Accelerated activity to design and business case for large scale facility

- + Queensland feasibility study announced and underway including X10 product development
- + Will complement existing Thailand facility



New injection molding machine, April 2024

Financial Summary

Redflow Cash Movement	AUD\$ 000
FY24 Q2 Cash Movement	-3,009
FY24 Q3 Cash Movement	-4,760
Difference of	-1,751
Due to	
Decreased in R&D Tax Credit Receipt	-2,457
Increased Advertising & Marketing	-115
Decreased Interest Received	-10
Increased product manufacturing and operating costs	-123
Decreased Staff Costs	149
Decreased Research and Development	273
Decreased Administration and Corporate costs	104
Increased Receipts from Customers	350
Increased Income Tax Paid	-28
Decreased Intellectual Property costs	14
Increased Plant & Equipment	-115
Decreased equity securities transaction costs	208
Other Costs	-1
Total	-1,751

- + In Q3 FY24, net cash used in Operating, Investing and Financing Activities was \$4.760 million, an increase of \$1,751 million compared with Q2 FY24 as follows.
- + The additional \$1.751 million net cash outflow in Q3 was primarily due to no R&D tax credit payments received (previously \$2.457 million) offset in part by a reduction in Operating & Financing costs of \$0.706 million.

Clear and consistent strategy

Will continue to deliver growth in FY24 and beyond



ENERGY FOCUSED APPLICATIONS

- + Solar/wind + storage, renewables integration.
- + Medium to long duration focus – 8+ hours.
- + Industries and applications where safety paramount (e.g. mining).
- + Leverage hibernation and duration attributes.



COMMERCIAL AND INDUSTRIAL (C&I) CUSTOMERS

- + Small C&I deployments 1+ MWh.
- + Medium to larger C&I deployments – behind the meter focus 2 – 50 MWh.
- + Promote unique fire safety vs lithium.
- + Basis to move into grid-scale opportunities – 50 MWh+.



US AND AUSTRALIA AS CORE MARKETS

- + US – California and other markets with large LDES energy storage needs and drive for diversification.
- + Queensland Government energy storage strategy supporting acceleration of ambition.
- + Continued growth of opportunities in the broader Australian market.
- + Pursue deals in other markets where opportunity is compelling.

The energy transition in Queensland is a powerful example of Redflow's opportunity



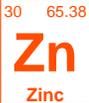
Responsible for ~30% of national emissions, **Queensland's energy transition will be critical** to Australia meeting Paris Agreement obligations
 In particular, Queensland holds a **strong foundation for our battery industry to grow**;



Largest national rooftop solar penetration



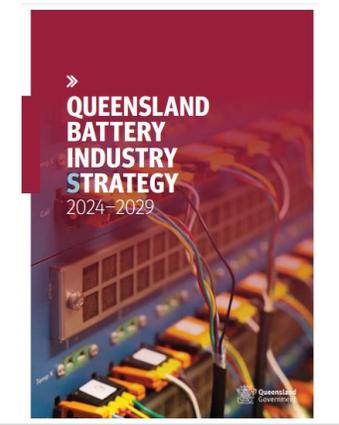
Existing mining and refining capabilities of critical battery minerals



Established local zinc ecosystem, e.g., multiple zinc mining and refining sites



National leader in large-scale firmed renewables and infrastructure



Queensland's **energy transition and battery industry growth** is expected to be accelerated by Queensland Government's **\$62bn Energy and Jobs Plan** and **\$570M Battery Industry Strategy**, which earmarked over 25GW of new and existing renewable energy by 2035

This will be enabled by:



~10 GW of energy storage planned by 2035



Retirement of entire coal fleet by FY35



~1500km of new high voltage backbone transmission



Smarter grid to support ~11GW of solar, ~6GW of batteries in homes / businesses



*The Queensland Battery Industry Strategy establishes Queensland as a **global leader in the flow batteries** needed to store renewable energy and advanced battery technologies.*



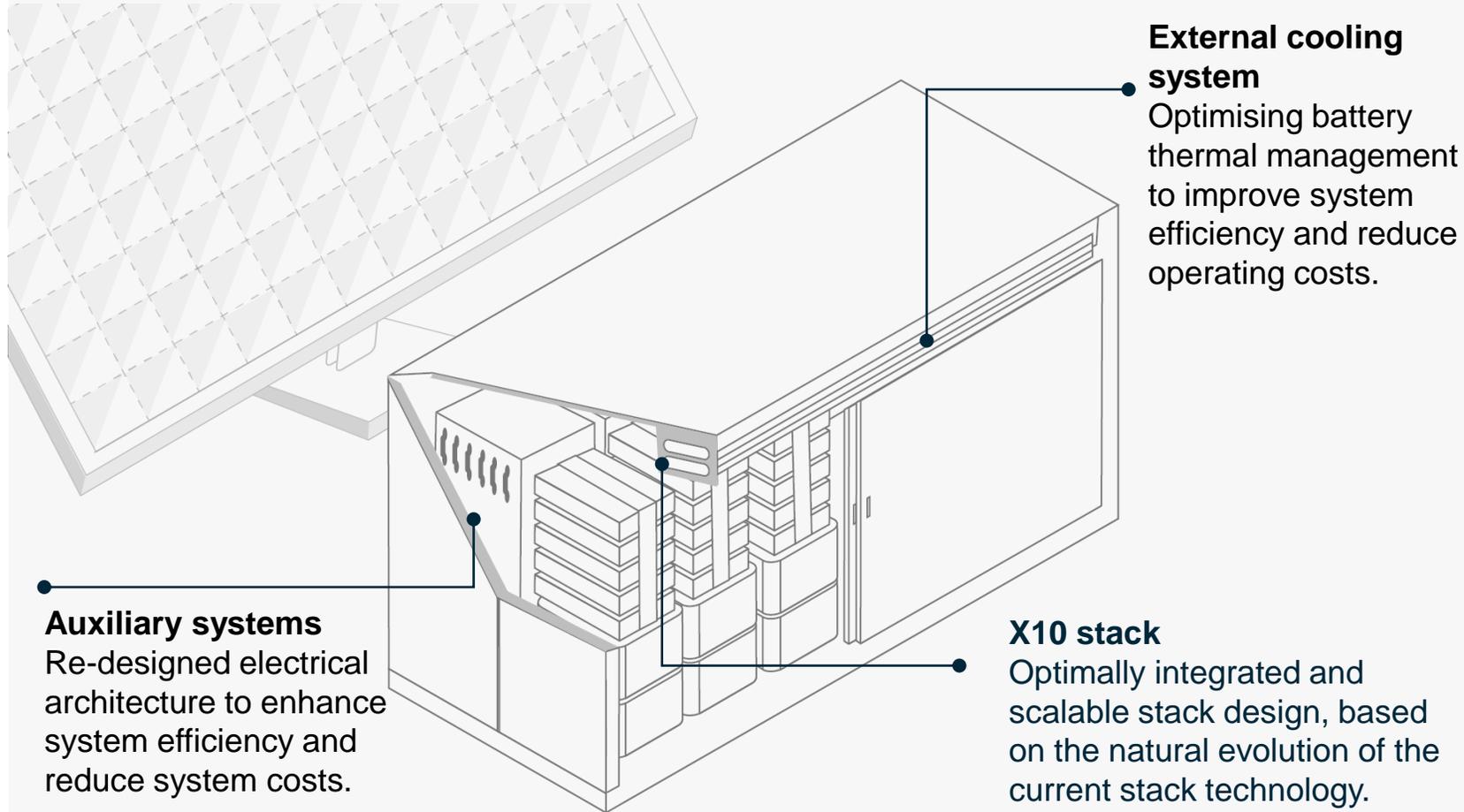
Queensland Premier, Steven Miles



Source: Queensland Battery Industry Strategy; Queensland Energy and Jobs Plan; Climate Energy Finance - Queensland's Energy Transformation: From Coal Colossus to Renewable Energy Superpower

X10 is the natural evolution of our current systems and designed for larger scale projects

ILLUSTRATIVE DESIGN



Auxiliary systems

Re-designed electrical architecture to enhance system efficiency and reduce system costs.

External cooling system

Optimising battery thermal management to improve system efficiency and reduce operating costs.

X10 stack

Optimally integrated and scalable stack design, based on the natural evolution of the current stack technology.

Key customer requirements met by X10

Natural product evolution of Pod200/ZBM3, e.g., chemistry and stack technology, which have extensive operational track record

Market Competitive product CAPEX

8h+ duration

MWh+ scale

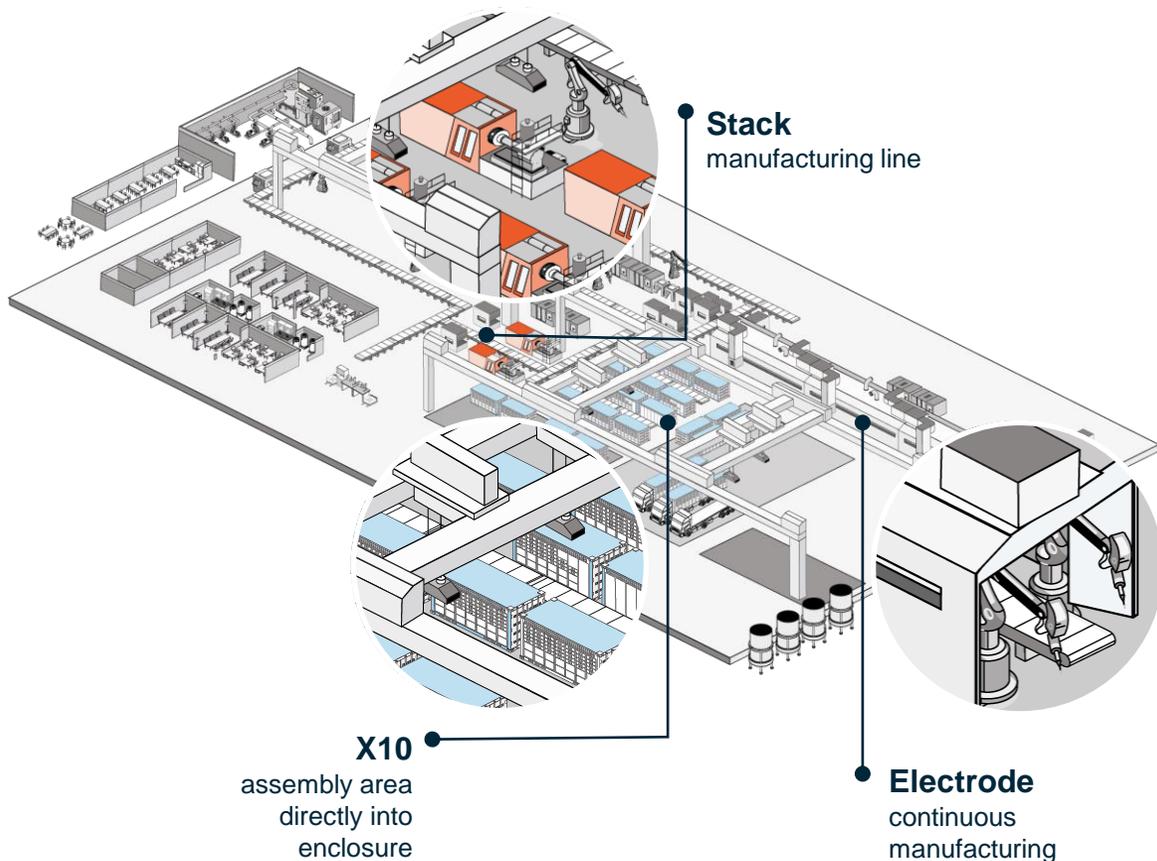
Modular design for rapid scalability

Designed and manufactured for ease of maintainability in the field for O&M efficiency

Turnkey solution for ease of transportation, field deployment and low installation costs – key customer requirement

Planning commenced for new advanced manufacturing facility

Preliminary QLD factory design



Redflow has advanced scoping plans to commission a **new manufacturing facility in 2026**. Commencing a jointly-funded feasibility study for a **Queensland-based facility** with the state government.

This facility will produce Redflow's new **X10 product**, adopting **highly automated manufacturing processes** to enable a **reduced cost and improved product life**

Queensland can serve as Redflow's as a **global hub**, centralising stack manufacturing for deployment to global assembly centres



500MWh+
annual production target



>10x
increase in Redflow's annual production capacity



150+
Direct jobs generated in QLD

Entitlement Offer

- + A 1 for 2 pro rata non-renounceable Entitlement Offer of new fully paid ordinary shares (New Shares) to raise up to \$13.6 million (before costs) if fully subscribed, prioritising existing shareholders (Entitlement Offer).
- + The Entitlement Offer includes 1 free attaching unlisted option (exercisable at \$0.20 and expiring on 15 April 2026) for every 2 New Shares subscribed.
- + The capital raising structure gives priority to existing shareholders and if shareholders participate for their full entitlement, they will not be diluted.
- + 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.
- + Entitlement Offer closes Tuesday 21 May 2024.

Redflow has a clear and focused plan to scale-up



Delivered

- Filled production capacity out to early 2025 with customer orders.
- Detailed scale-up plan for Thailand factory to increase production capacity to 40 MWh/year.
- Design optimisation for cost of ZBM3.
- Preliminary design of new X10 product.
- Multi-MWh projects with option to further expand in project size.



Next steps



Manufacturing

- Implement Thailand factory scale-up.
- Detailed design / planning of QLD factory (capital equipment, plant design, site selection, etc.).
- Ongoing supplier diversification and partnerships.



Design

- Implement design / process improvements in Thailand facility.
- Finalise new X10 design.



Finance

- Progress discussions with government debt and export finance agencies.
- Working capital financing solutions.
- Drive progressive gains in product margin.



Commercial

- Lock in ZMB3 customer pipeline orders.
- Engage on X10 scaled future commitments.

Q&A



Redflow Head Office

Redflow Limited

27 Counihan Road,
Seventeen Mile Rocks,
Brisbane QLD 4073
Australia

Phone: + 61 7 3376 0008

Fax: + 61 7 3376 3751

Sales: sales@redflow.com

General: info@redflow.com

Media: marketing@redflow.com

redflow.com