

ASX RELEASE

25 July 2023

Redflow progressing multiple commercial opportunities; extends entitlement offer timetable

Key highlights:

- Following Redflow's recent project win for a 20 MWh A\$18 million project in California (announced 1 June 2023), the Company has significantly and successfully advanced its commercial strategy.
- The Company is progressing multiple large-scale opportunities, with some at advanced stages representing approximately 70 MWh of total battery demand for delivery in 2024 and early 2025.
- Current entitlement offer deadline has been extended to 11 August 2023.
- Redflow's Board wanted to ensure shareholders were given priority to participate in the accelerated growth coming through via the entitlement offer.
- Simon Hackett, Redflow's largest shareholder, has confirmed his participation in the entitlement offer.

Redflow Limited (ASX: RFX) is pleased to provide this update to investors of the progress it has been achieving across multiple commercial opportunities.

Following Redflow's recent project win for a 20 MWh A\$18 million project in California (announced 1 June 2023), the Company has significantly and successfully advanced its commercial strategy, generating further market visibility and customer interest. This includes:

- new orders;
- new sales opportunities identified and qualified; and
- material progress against previously announced large-scale opportunities.

Redflow CEO and Managing Director Tim Harris believes that Redflow is now at a critical growth and value inflection point achieving growing momentum in its target markets, with several sales deals moving to close in recent weeks and others approaching close.

"After years of technology development, we are now seeing the benefits of that investment flow through unprecedented levels of market interest in our unique zinc-bromine flow battery solution. Redflow's sales pipeline now sits at over 21 GWh of qualified opportunities, with several deals progressing significantly in recent months. This reflects Redflow's position as a global leader in non-lithium energy storage for medium to longer term duration applications that are increasingly becoming a major focus across the renewable industry," said Mr Harris.

"Our recently announced 20 MWh California project has enabled us to advance some incredibly exciting large-scale opportunities, with some at advanced stages representing approximately 70 MWh

redflow.com

Redflow Limited ACN: 130 227 271
27 Counihan Road
Seventeen Mile Rocks QLD 4073

of total battery demand for delivery in 2024 and early 2025. Several of these deals are expected to progress in the coming weeks,” added Mr Harris.

Key opportunities that have significantly advanced in recent weeks include:

Australia

- **Grid resiliency project for a large network operator (~4 MWh):** Redflow has been working closely with a large network operator who is actively exploring non-lithium solutions for its GWh energy storage program. A site has been identified by the network operator, pricing submitted, and contract negotiations have commenced. Formal approval to proceed is expected shortly, with the project expected to be delivered in the second half of 2024.
- **Remote grid applications for a large network operator (0.5 – 2 MWh per site):** Part of a program to test different storage solutions for remote grid applications of a network operator before a broader roll out. Redflow has partnered with a major global EPC company for this opportunity. The initial project tender specifies 4 sites for a total of 7 MWh energy storage to be delivered in the second half of 2024.
- **Australian Community Battery programme (0.5 – 2 MWh per site):** Redflow has developed a number of partnerships with project developers and Distribution Network Service Providers (DNSP) to offer community battery solutions under the \$200 million Community Batteries for Household Solar program. Based on discussions to date, Redflow anticipates the potential to be selected for 6-10 projects that will be delivered over 2024 and 2025.

United States

- **US Federal Government (1.2 MWh):** Redflow has received verbal confirmation that it has been selected for a US Federal Government microgrid resiliency project in New York State. Redflow is currently working through government contracting requirements that are expected to be completed in early August 2023, with the project targeted for delivery by mid-2024. If the initial 1.2 MWh project is successful, Redflow will have an opportunity to deploy its batteries across numerous US Federal Government facilities and critical infrastructure globally.
- **US financial services company, retail sites (~400 kWh for initial sites):** As noted in previous ASX announcements and market updates, Redflow continues to work collaboratively with a major bank and its EPC partners around finalising engineering designs and battery system sizing for a select number of identified three branch deployment sites in southern California. The Bank has confirmed its goal of installing battery systems across its 4,000 branch networks over the next 2-3 years with final deployments based on ownership, business case, and site feasibility. This initial phase is expected to be approved in the near future with project commencement targeted for the end of 2023.
- **US financial services company corporate campus project (Phase One ~8 MWh for Phase One, plus an additional 55 MWh for Phase Two):** Redflow has been informed by the Bank’s EPC partner that they have been given notice to proceed for a multi-phase microgrid battery installation and Redflow remains the preferred energy storage technology for this project and its broader decarbonisation program. Redflow’s batteries will be integrated with an existing solar microgrid on the campus, capturing excess renewable energy for later use. The project will now move into a detailed engineering and design phase, where sizing and phasing will be further refined. The initial 8 MWh project is targeted to be delivered in the second half of 2024 with the second phase in 2025.
- **Solar + storage microgrid project (33 MWh):** Redflow has been selected as a finalist in a US Department of Energy long duration energy storage grant program for a hospital in California. Final award selections are expected to be made around September/October 2023, with detailed project design, engineering and delivery expected to commence in 2024.

- **Hospitality centre (200 kWh):** Redflow has signed a supply agreement and received a deposit for a 200 kWh pod for delivery in the last quarter of 2023.

Rest of the world

- **Demonstration system for large global renewable developer (200 kWh):** Redflow is currently working through the procurement process to install a demonstration system in Europe for a major renewables developer. The company is one of the largest clean energy companies in the world with over 1,600 MW of renewable energy installed or under construction, including large energy storage installations. If successful, the opportunity is the utility-scale deployments of Redflow batteries in a portfolio of renewable energy projects across 16 countries including Australia, the North America and Europe. The project is targeted for delivery by end of 2023.
- **Phase 1 demonstration system for water utility in Israel (200 kWh for Phase One):** Redflow signed an LOI with a project developer and solar installer to deploy a 200 kWh demonstration system by early 2024 as the first phase of a 100 MWh energy storage and solar project for a water utility in Israel. If selected for Phase Two, Redflow would have the opportunity to supply 100 MWh of additional capacity for the project.

The above project sizes and timing are estimates based on the latest information available and customer engagement. Redflow notes there is no guarantee or assurance that it will secure these opportunities. As these opportunities progress, Redflow will provide appropriate market updates as part of its continuous disclosure obligations.

Entitlement offer extension

Like other companies at a comparable commercialisation stage of development, Redflow requires growth capital to convert these opportunities into firm orders, scale up its battery manufacture and supply chain, and benefit from the market momentum achieved in recent months.

Given the substantial progress made, with the 20 MWh project with the Californian Energy Commission being the first deal of several large-scale projects in the Company's pipeline, Redflow's Board wants to ensure that the Company's current shareholders are given priority to participate in the accelerated growth coming through via the entitlement offer.

To enable shareholders to absorb the new information contained in this trading update, the Board of Redflow has extended the Company's current entitlement offer deadline from 28 July 2023 for a further two weeks.

Simon Hackett, Redflow's largest shareholder, has confirmed his participation of \$250,000 in the entitlement offer.

The new offer closing date is 11 August 2023 unless otherwise extended.

Entitlement offer details

As previously announced, Redflow is seeking to raise up to \$18.9 million from shareholders under a 1 for 2 pro rata non-renounceable entitlement offer. The monies raised will be used to fund operating and capital expenditure required for battery manufacturing and supply (including process improvements and purchase of raw materials and inventory to meet supply obligations), to convert developed commercial opportunities to sales and for general working capital.

The offer is being made under section 708AA of the Corporations Act on terms and conditions contained in an Offer Booklet dated 16 June 2023 which has been sent to shareholders. The entitlement to subscribe for shares under the offer is set out in a personalised entitlement and acceptance form which accompanied the Offer Booklet. Instructions on how to participate are set out in Section 2 of the Offer Booklet. Shareholders should carefully read the Offer Booklet and other publicly available information about Redflow and consider the risk factors of any investment.

This announcement was authorised for release by the Board of Redflow Limited.

-- ENDS --

For further information contact:

Corporate

Tim Harris
+61 7 3376 0008
tim.harris@redflow.com

Investors

Ronn Bechler
+61 400 009 774
ronn.bechler@automicgroup.com.au

Media

Maree Mills
+61 401 233 138
maree.mills@redflow.com

¹ See slides 30 - 35 of the Investor Presentation. The Offer Booklet is not investment advice and does not take into account investment of objectives of eligible shareholders, financial situation, tax position or particular needs. Before deciding to apply for shares, eligible shareholders should consider whether they are a suitable investment in light of their personal circumstances and seek professional guidance.

About Redflow

Redflow, a publicly listed Australian company (ASX: RFX) with offices in Australia and the US, designs and manufactures long-duration zinc-bromine flow batteries for stationary commercial, industrial, and utility applications. Redflow batteries are modular, scalable, fire-safe, and capable of 100% depth of discharge. They can also operate in a wide range of environments without supplemental heating or cooling and offer an extended life with minimal degradation over time. The company's smart, self-protecting storage technology offers unique advantages, including a hibernation feature, secure remote management, a simple recycling path, and sustained energy delivery throughout its operating life. Redflow's energy storage solutions have been in use for more than a decade at more than 250 sites in over 9 countries.

For further information, please visit: www.redflow.com