

ASX RELEASE

08 June 2023

Redflow undertakes capital raising to deliver on growth

Key highlights

- **Pro rata non-renounceable entitlement offer to raise up to \$18.9 million (before costs) if fully subscribed.**
- **Funding to underpin growth in large scale multi-MWh projects, supporting pursuit of business development opportunities and key projects.**
- **Redflow's Board fully supports the Entitlement Offer and eligible Directors have each agreed to participate.**

Redflow Limited (ASX: RFX), a global leader in clean energy storage, is pleased to announce a capital raising comprising a pro rata non-renounceable entitlement offer to raise up to \$18.9 million (before costs) if fully subscribed.

Redflow continues to experience a high level of customer interest in its unique zinc bromine flow battery technology and its ability to support multi-MWh large scale deployments. At the same time, government and market recognition of the need for medium to longer storage duration and the role of flow batteries in the energy ecosystem is rapidly increasing.

After securing its first commercial scale supply contract to supply Faraday Microgrids for the Paskenta Rancheria Microgrid Project, and with an improving and growing sale pipeline, Redflow is well positioned to execute on current and future opportunities in key growth markets. The Company is raising funds to deliver on the demand for Redflow's battery technology.

The entitlement offer prioritises participation by existing shareholders and if shareholders participate for their full entitlement, they will not be diluted by the current raising.

Executing on growth strategy

Since Redflow last raised capital from shareholders in September 2022, the Company has executed on its strategic objectives and achieved a number of important milestones, including:

- Signed Redflow's largest single battery sale for use in a large-scale solar and storage project to be funded by the California Energy Commission (CEC). This project will provide power for the Paskenta Band of Nomlaki Indians, a U.S. federally recognised sovereign Native American nation located in Northern California. The Paskenta Rancheria Microgrid Project includes a 20 MWh long-duration energy storage system and a 5 MW solar system.
- Achieved one-year operational milestone in January 2023 for Redflow's flagship 2 MWh Anaergia installation in California, which continues to provide a critical reference site for US customers and partners.

redflow.com

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

- Improved and expanded Redflow's sales pipeline, that now stands at over 1 GWh of qualified opportunities across the US, Australia and selected international markets, with a number of multi-MWh opportunities at detailed customer engagement.
- Nearly 1 MWh of customer orders for delivery in the coming months.
- Redflow's zinc-bromine flow battery being approved by the California Public Utilities Commission as eligible for the state's Self-Generation Incentive Program (SGIP).
- Established a strategic relationship with Ameresco to provide advanced non-lithium energy storage solutions to customers across North America and Europe.
- Signed a Memorandum of Understanding (MOU) with Energex and Ergon, (part of Energy Queensland), to further collaborate around the evaluation and assessment of Redflow's battery technology.
- Implemented key reference projects in Australia, including the final site for the Australian Government's Bureau of Meteorology emissions reduction and reliability project and delivery of the final shipment of ZBM3 batteries to Southern Ocean Lodge on Kangaroo Island, South Australia.
- Continued to grow its deployment footprint, with over 15 million cumulative hours of field operations since 2018.
- Launched new QuadPod 40 kWh solution and integration with new Deye hybrid inverter generating strong commercial interest in a standardised, repeatable and small energy storage solution for commercial and industrial deployments in Australia.
- Signed a Master Services Agreement with Black & Veatch to streamline the procurement of ZBM batteries for global projects.
- Launched a new \$5 million research collaboration with The University of Queensland within the Australian Research Council (ARC) Research Hub administered by Deakin University.

Redflow to supply 20 MWh battery system in California for the Paskenta Rancheria Microgrid Project

On successful commissioning, the Paskenta Rancheria Microgrid Project in California will include one of the largest zinc-based battery installations in the world and will represent Redflow's largest single sale and deployment of batteries.

Redflow has entered into a battery supply agreement with the developer, Faraday Microgrids to supply Redflow batteries to the Project.

Under the Project, Redflow will supply, supervise installation and assist with the commissioning and maintenance of 2,000 ZBM3 batteries in its 200 kWh modular energy pods. Shipping of pods is anticipated in late 2023 and the first half of 2024. Redflow expects to receive in total approximately US\$12 million (excluding taxes and shipping) for the 20 MWh system, which will be paid progressively on commencement, delivery of batteries and completion milestones. Most of the price is due to be paid on or before completion of battery delivery.

The Project is being funded by the CEC's US\$140 million long-duration energy storage grant program. With this funding approval, Redflow will join a small number of proven non-lithium storage providers for whom the CEC is financing reference projects to assist commercialisation and large-scale validation.

The Project follows the 2 MWh system in California that Redflow successfully installed for Anaergia in 2022 and has now been operational for over 12 months.

Funds raised to deliver on commercial outcomes

An estimated 45-55 GW of long-duration energy storage is required in California by 2045 to support grid reliability and the State's clean energy transition targets.¹ This forecast level of market demand provides strong underpinnings for the opportunities that Redflow is currently progressing (reflected in its growing and advancing sales pipeline) and executing (like the recently announced 20MWh project in California).

The entitlement offer, if fully subscribed, will provide Redflow with the capital required to execute on its current contracts, progress value enhancing engineering developments, and pursue business development opportunities translating into future sales and revenue.

Entitlement Offer details

Under the Entitlement Offer, eligible Redflow shareholders may apply for one new share for every two fully paid ordinary shares in the Company held at 7.00pm AEST on Wednesday 14 June 2023 (the Record Date), at an issue price of \$0.21 per New Share, to raise up to approximately \$18.9 million before costs if fully subscribed (Entitlement Offer).

The Entitlement Offer price represents a discount of:

- 9 % to the last price at which the shares traded on Monday, 5 June 2023 (being \$0.23 per share);
- 16% to the 5 day VWAP of shares traded on ASX up to and including Monday, 5 June 2023 (being \$0.25 per share); and
- 14% to the 10 day VWAP of shares traded on ASX up to and including Monday, 5 June 2023 (being AUD\$0.24 per share).

Shareholders who are registered as shareholders at the Record Date with a registered address in Australia, New Zealand, the United Kingdom, Hong Kong or Singapore (Eligible Shareholders) will be eligible to participate in the Entitlement Offer.

Entitlements

Entitlements in respect of new shares will be rounded down to the nearest whole number and holdings on different registers or sub-registers will not be aggregated to calculate entitlements. The Entitlement Offer is non-renounceable and entitlements cannot be traded on ASX.

Eligible Shareholders will also be able to apply for additional Shares over and above their pro rata entitlement (Additional New Shares), with such oversubscriptions to be satisfied from Entitlements that were not taken up by other shareholders under the Entitlement Offer. If demand for Additional New Shares exceeds the number of Additional New Shares available, the number of Additional New Shares issued will be scaled back on a pro rata basis.

Additional New Shares

Pursuant to the Entitlement Offer, Redflow will issue up to approximately 89,887,181 new shares. The shares issued under the Entitlement Offer will be fully paid ordinary shares and will rank equally in all respects with the existing shares on issue.

¹ California Energy Storage Alliance, Long Duration Energy Storage for California's Clean, Reliable Grid, 2020

Further information

The Entitlement Offer will be made under section 708AA of the Corporations Act. Accordingly, Redflow will not prepare a prospectus or other disclosure document. Redflow expects to lodge with ASX and dispatch to Eligible Shareholders a copy of the Entitlement Offer Booklet and Entitlement and Acceptance Form on Friday 16 June 2023.

The anticipated timetable for the Entitlement Offer is as follows:

EVENT	DATE
Announcement of Entitlement Offer	Thursday 8 June 2023
Existing shares quoted on an 'ex-entitlement' basis	Tuesday 13 June 2023
Record Date	7.00pm AEST Wednesday, 14 June 2023
Entitlement Offer opens	Friday, 16 June 2023
Entitlement Offer Booklet and acceptance forms dispatched to Eligible Shareholders	
Entitlement Offer Closes	5.00pm AEST Friday 7 July 2023
Announcement of shortfall (if any) under the Entitlement Offer	Wednesday, 12 July 2023
Allotment date of new shares issued under the Entitlement Offer	Thursday 13 July 2023
Normal trading of New Shares issued under the Entitlement Offer	Friday 14 July 2023
Despatch of holding statements for New Shares issued under the Entitlement Offer	Monday, 17 July 2023

The timetable is subject to change and Redflow reserves the right to withdraw or vary the timetable for the offer without notice. In particular, Redflow reserves the right to extend the closing date for the Entitlement Offer, to accept late applications whether generally or in particular cases or to withdraw the Entitlement Offer without prior notice.

The Redflow Board fully supports the Entitlement Offer and eligible Company's Directors have each agreed to participate in the Entitlement Offer.

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

For personal use only

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