



Redflow Limited
ACN 130 227 271

25 August 2021

US market opportunity – further engagement

Redflow Limited (ASX:RFX) is pleased to announce an agreement with FUND4SE Pte. Ltd. (**FUND4SE**), to assist Redflow in pursuing and maximising the US market opportunity arising from having been named in a Request for Information issued by a large listed US corporate as an approved supplier of flow batteries on a preliminary basis (see announcement of 29 June 2021) (**RFI**).

FUND4SE is a venture capital fund for sustainability and energy based in Singapore and focused on investing in disruptive sustainability and energy efficiency technologies within renewable, clean and green energy markets for energy generation, transfer, storage, supply and consumption efficiency; commercial buildings, industrial facilities, and transport management, operation and maintenance efficiency; and energy management optimisation, artificial intelligence and blockchain (www.f4se.com).

FUND4SE is licenced by the Monetary Authority of Singapore (Capital Markets License #CMS100808), and has been working with the RFI issuer in relation to the procurement of the project (**Project**).

Under the agreement, FUND4SE will assist Redflow with the following in relation to the Project:

- introductions to Project stakeholders including the project principal, project developer, EPCM contractor and other technology suppliers;
- Underwriter Laboratories certification, initial pilots and technical due diligence; and
- review and analysis of potential manufacturing locations in the US including funding requirements.

For FUND4SE's services, Redflow has agreed to the following consideration:

- **Tranche 1 Securities** – the issue of 8,474,576 Shares at A\$0.059 per Share to raise \$500,000 and 8,474,576 Attaching Options on the terms and conditions set out in Redflow's prospectus dated 24 June 2021.
- **Tranche 2 Options** – the issue of 100,000,000 options, exercisable at A\$0.08 per option. The Tranche 2 Options will vest if definitive legal contracts are entered into by Redflow, by no later than 18 months after the date of Redflow shareholder approval, to supply a specific commercial-in-confidence project with Redflow batteries representing a minimum of 10MWh of energy storage to be delivered over a maximum of 24 months after the date of the contracts.
- **Tranche 3 Options** – the issue of 55,000,000 options, exercisable at A\$0.10 per option. The Tranche 3 Options will vest if definitive legal contracts are entered into by Redflow, by no later than 30 months after the date of Redflow shareholder approval to supply a specific commercial-in-confidence project with Redflow batteries representing a minimum of 50MWh of energy storage to be delivered over a maximum of 24 months after the date of the contracts.

Commenting on the agreement, the Company's Managing Director & CEO Tim Harris said: "The US market provides tremendous potential for Redflow. Having signed our largest ever contract for a 2 megawatt hour battery installation in California earlier this year, we are now ramping up our US market activities. We have the potential to substantially increase our presence in the US with even larger opportunities, and FUND4SE is well placed to support Redflow in a specific US opportunity that has the potential to transform our business given the scale of batteries required. We look forward to working with FUND4SE to realise this opportunity for Redflow's energy storage technology."

All Tranches are subject to Redflow shareholder approval which will be sought at the Company's annual general meeting expected to be held on 14 October 2021. Tranches 2 and 3 are also subject to FUND4SE obtaining the required Singaporean regulatory approval within 3 months (or, if a waiver of Listing Rule 7.3.4 is granted by ASX, 6 months).

Redflow may cancel the Tranche 2 Options and/or the Tranche 3 Options by paying FUND4SE a cash early repayment amount equal to 110% of the option value which is agreed or based on a Black Scholes valuation methodology.

This announcement has been authorised for release to ASX by the Board of Redflow Limited.

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About Redflow www.redflow.com

Redflow Limited, a publicly listed Australian company (ASX:RFX), produces small 10kWh zinc-bromine flow batteries that tolerate daily hard work in harsh conditions. Marketed as [ZCell](#) and [ZBM2](#), Redflow batteries are designed for high cycle-rate, long time-base stationary energy storage applications in the residential, commercial & industrial and telecommunications sectors, and are scalable from a single battery installation through to grid-scale deployments. Redflow batteries are sold, installed and maintained by an international network of energy system integrators. Redflow's smart, self-protecting batteries offer unique advantages including secure remote management, 100 per cent daily depth of discharge, tolerance of high ambient temperatures, a simple recycling path, no propensity for thermal runaway and sustained energy delivery throughout their operating life.