



2017 FY Results Presentation

Scott McGregor, Chief Executive Officer
Fraser Welham, Chief Financial Officer

17th May 2018

2017 FY highlights & Current YTD

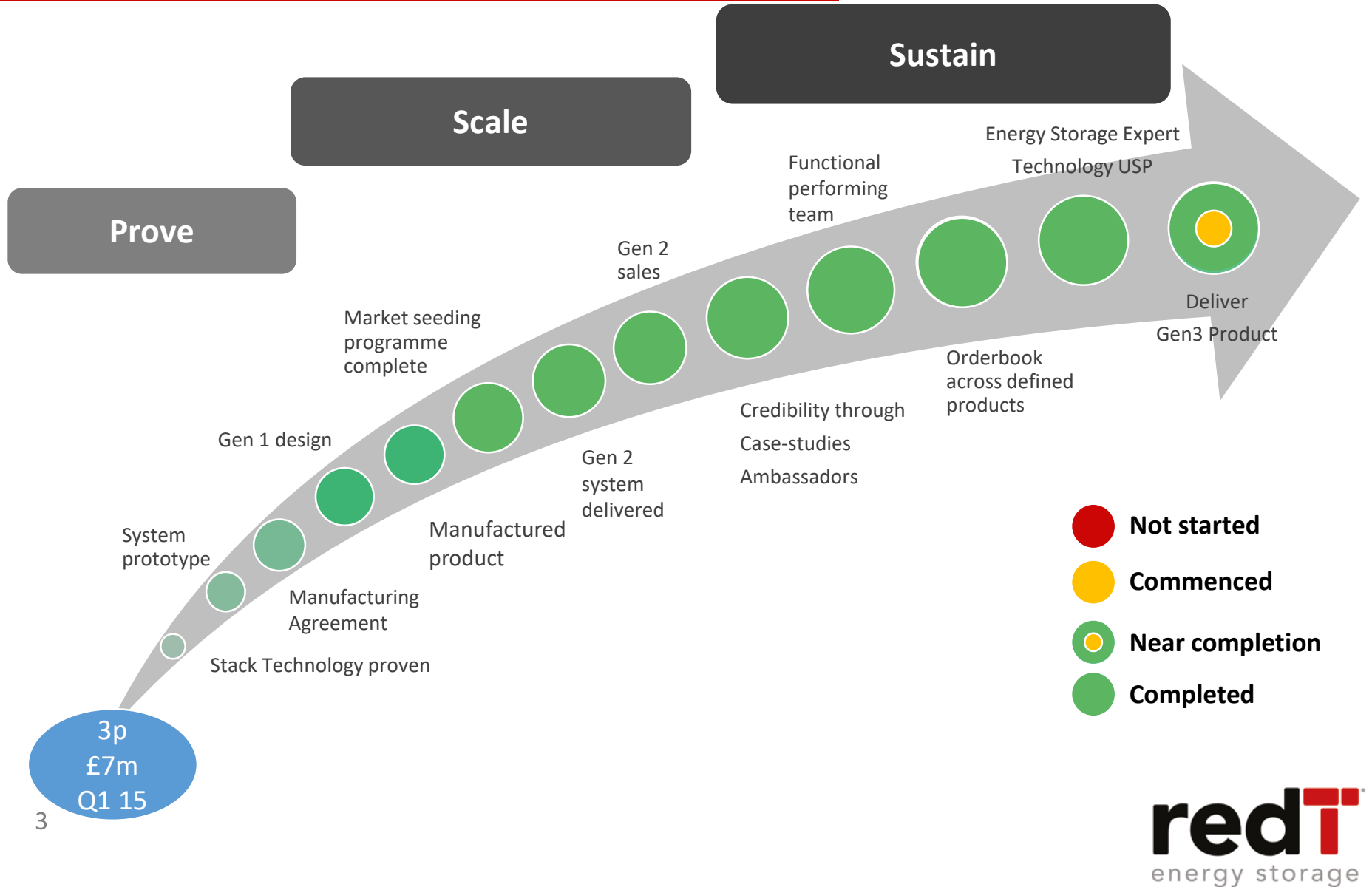
2017

- **Significant demand for commercial Gen 2 machines**
 - **43 unit orders** signed during the year including:
 - 14 units for Botswana off-grid customer
 - 9 units via S.E. Asian partner
 - 12 units for hybrid system in Australia
 - **Flagship demonstration sites operational:** Olde House, Thaba
 - **Final stage customer selection up 182% to €18.3m (2016: €6.5m)**
- **Expanded operations for growth**
 - **Headcount doubled** to 60 full time employees during 2017
 - **Expansion of Livingston & Wokingham facilities**

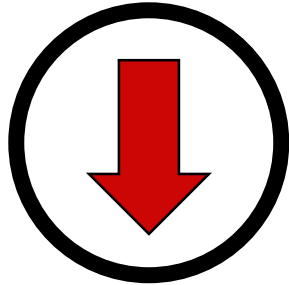
2018

- **R&D progress** – completion of Gen 3 stack prototype
- **Growing Gen 3, pre-order interest** – €11m in final stage, customer selection
- **redT selected for large scale, tidal project in UK**
- **Successful fundraise of £3.85m** in April 2018 (oversubscribed)

Sustainable equity value

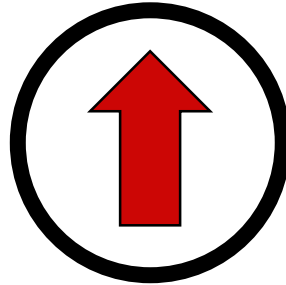


Energy market trends



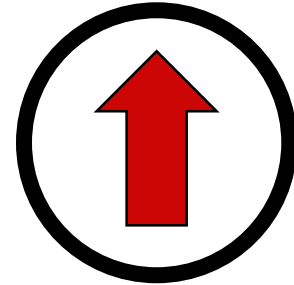
Cost of Solar Generation

Tending to \$0/kWh



Power Price Volatility

Peak Prices Rising



Grid Service Revenues

USA, UK + others coming online

Distributed infrastructure energy storage is now open for business
This is real, distributed infrastructure – not opportunistic investments based on short term (< 1 hour) arbitrage

Energy storage applications overview



Grid Connected C&I - Renewables + Storage - ~15% IRR

Certain geographies now economic; UK, Australia, Germany, USA
Time-shifting for self consumption, contracted services and merchant revenues

Market Size

\$65-103bn



Off-Grid & Weak Grid - ~30% IRR, 3-5 year payback

Diesel energy production cost \$0.50 to \$1 per kWh. Solar desired in off-grid, but doesn't work without industrial, heavy cycling storage. Solar + flow machine cost \$0.20-0.30 per kWh (figures indicative of South African market)

>\$27bn



Renewables + Storage Grid Projects - Private Wire PPA

Decentralised, large scale renewables projects (Solar, Wind, Tidal etc.) supported by large scale, flexible energy storage platform asset

\$32-50bn
(US Market only)



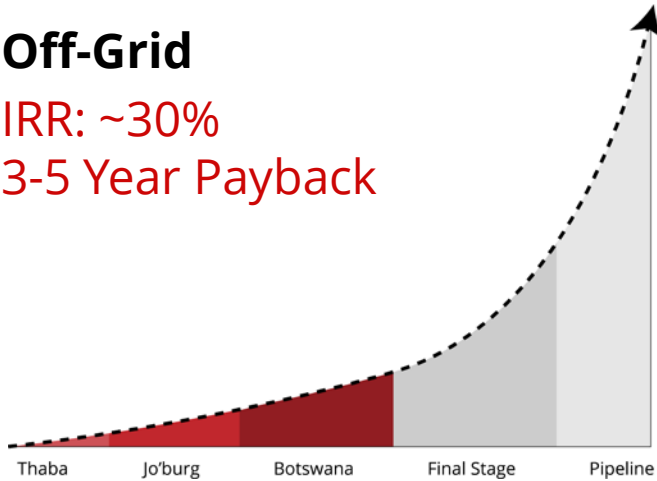
Large Scale Grid Projects - Trading and Grid balancing (merchant returns- now economic)

For long duration grid services at national / regional level (>3hours) as base case, then can perform all grid services at no incremental cost, including energy trading. Policy to price services (not subsidies). Works now in Germany & USA, UK viable in near-term

redT market segment growth

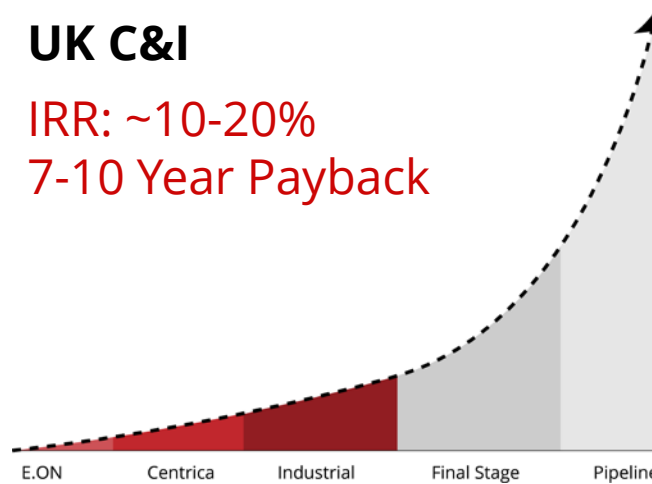
Off-Grid

IRR: ~30%
3-5 Year Payback



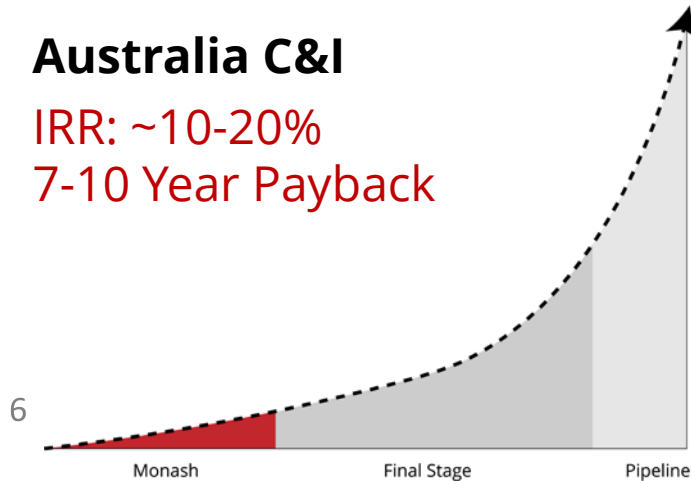
UK C&I

IRR: ~10-20%
7-10 Year Payback



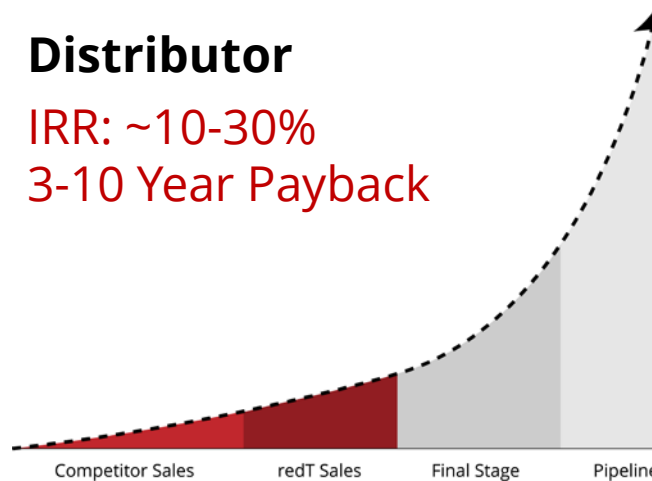
Australia C&I

IRR: ~10-20%
7-10 Year Payback



Distributor

IRR: ~10-30%
3-10 Year Payback



Totals
(31st Dec. 2017)

Orders

€2.5m
43 units

Final stage

€18.3m
330 units

*Gen 3
€1.7m
40 units

Pipeline

€357m

redT channels to mass adoption

Direct Sales (C&I)

UK, Australia, Africa & EU

Establishes initial market credibility

Develops customer use case

~ 12 month sales cycle

Gen 3 Final Stage Selection

€1m (20 Units, UK)

Distributors

Local renewable or energy experts

Trusted and local to customers

Initial 6-12 month onboarding process

~6 month sales cycle for prequalified leads

4 in UK, 2 in Africa plus E.Europe, S.E Asia, S.Pacific

Gen 3 Final Stage Selection

€7.8m (137 Units)

Large Projects (Developers)

Large-scale infrastructure projects + tenders

Stages; Project design, technical review & project finance

~ 1-3 years sales cycle

Gen 3 Final Stage Selection

€2m (40 Units)
Financial close stage

Specific Programmes

Specific campaigns directed at exploiting new opportunities with grants, subsidies etc.

E.g. RDPE grant in UK

Total Gen 3 (Q1 18)

€10.8m
(197 Units)

Unlocking on-grid energy storage

80%

Base Returns Locked In



New Solar
Grid-Connected

Use **more solar**
Firming solar: 24/7 solar power
Requires 4-8 hours of storage

Batteries: 2 hours
Flow Machines: > 4 hours



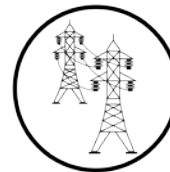
UK C&I
Min. 100kW
Peak Demand

Save **more on energy bills**
Renegotiate supply contracts
Access wholesale power prices

Requires ~5 hours of storage to
minimise price risk

20%

Merchant Revenue Upside



Contracted
Grid Services
(Fixed)

Access **more revenues**

Perform all services, remain flexible
Batteries: 1 service (Freq. response)
Flow Machines: All Services (stacked)



Merchant
Trading
(Variable)

Profit from price volatility
System balancing: ~4 hours of storage

Batteries: 30 mins only
Flow Machines: 30 mins - 4 hours +

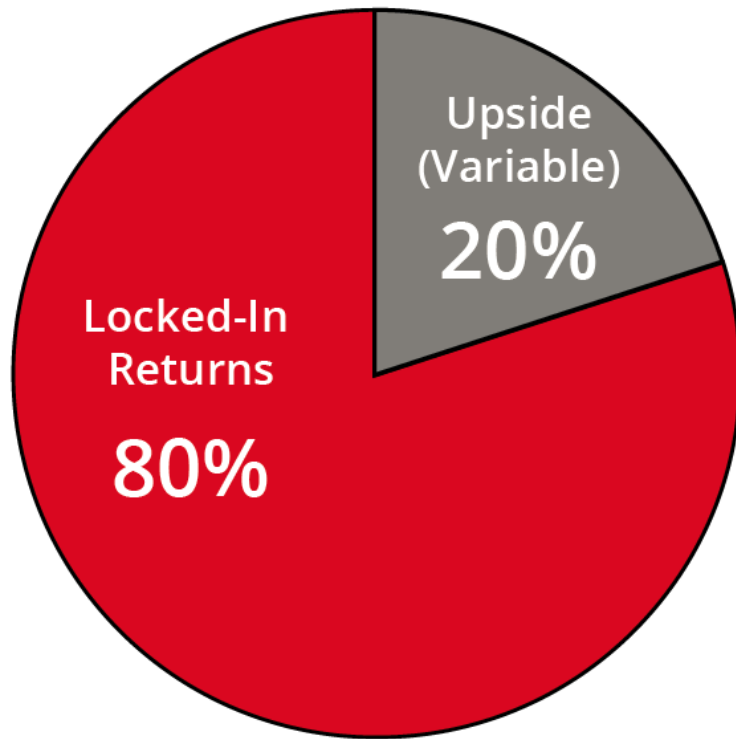
7-10 year
Project
Payback

redT machines = flexible platform
Unlocking all PV, PPA, Grid and Trading Revenues
+ additional non-quantifiable benefits

~15%
IRR (Unlevered)

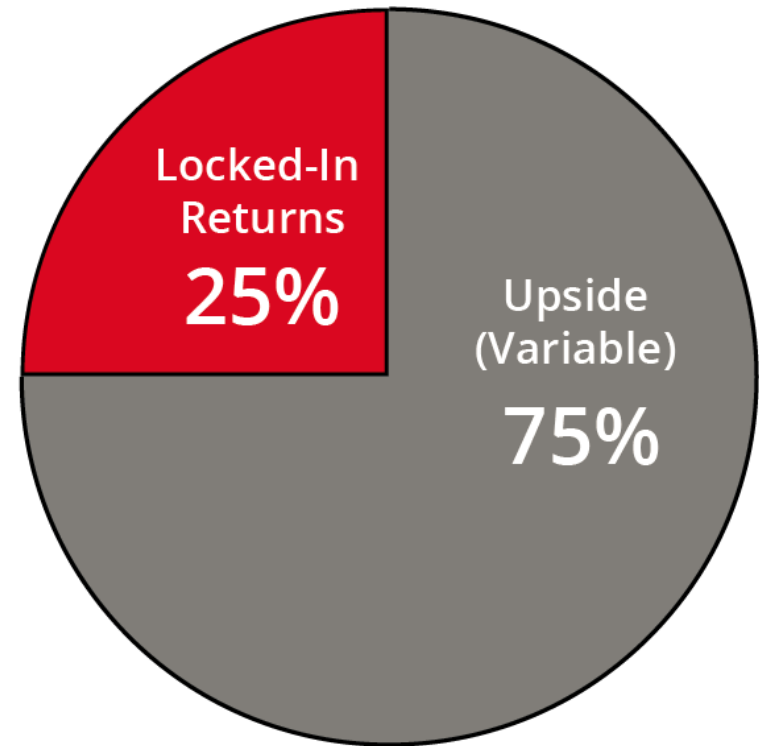
Comparing energy storage business models

Energy Storage Infrastructure



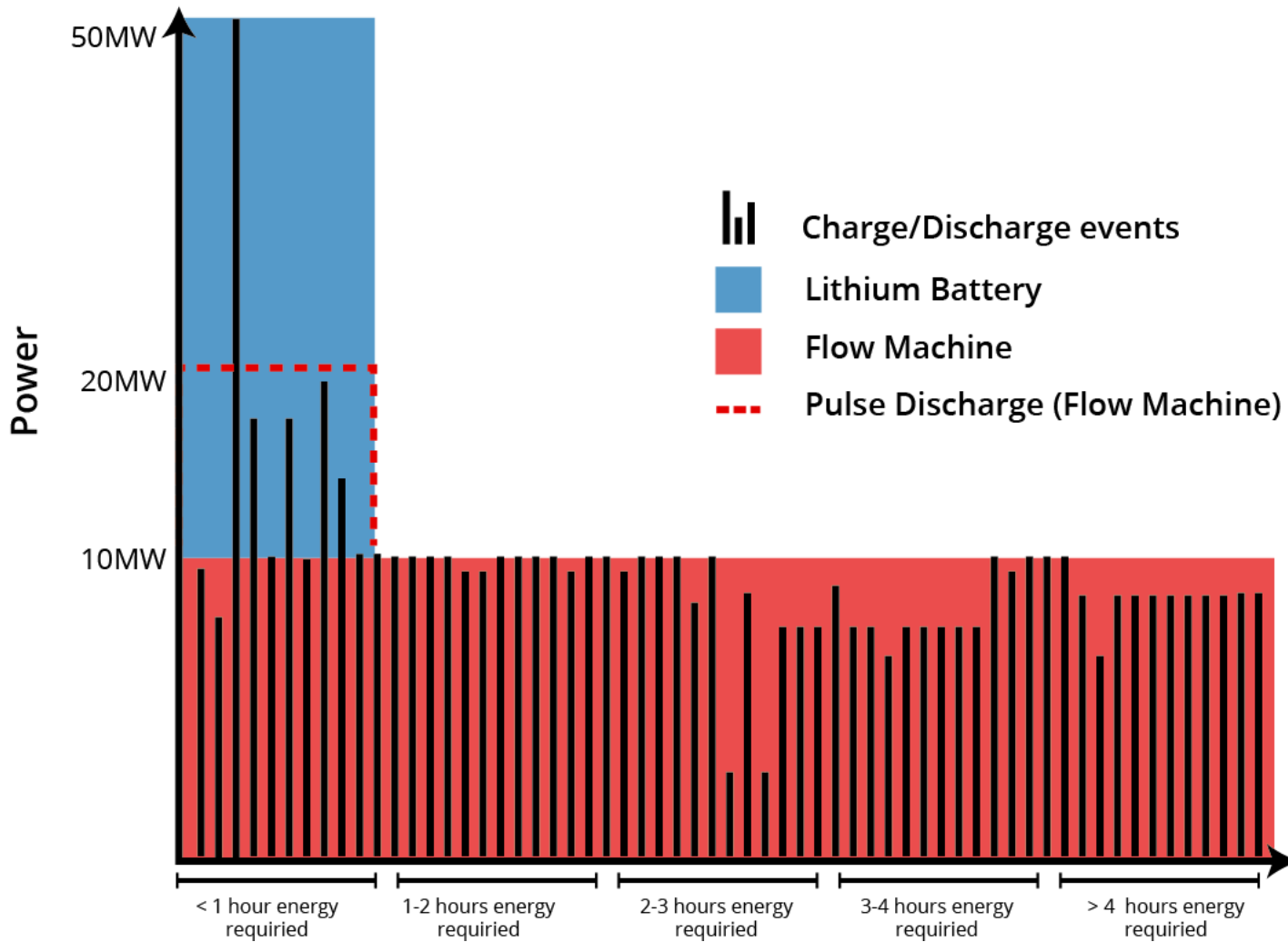
High % of business case locked-in
Flexibility to change over time

Battery Storage

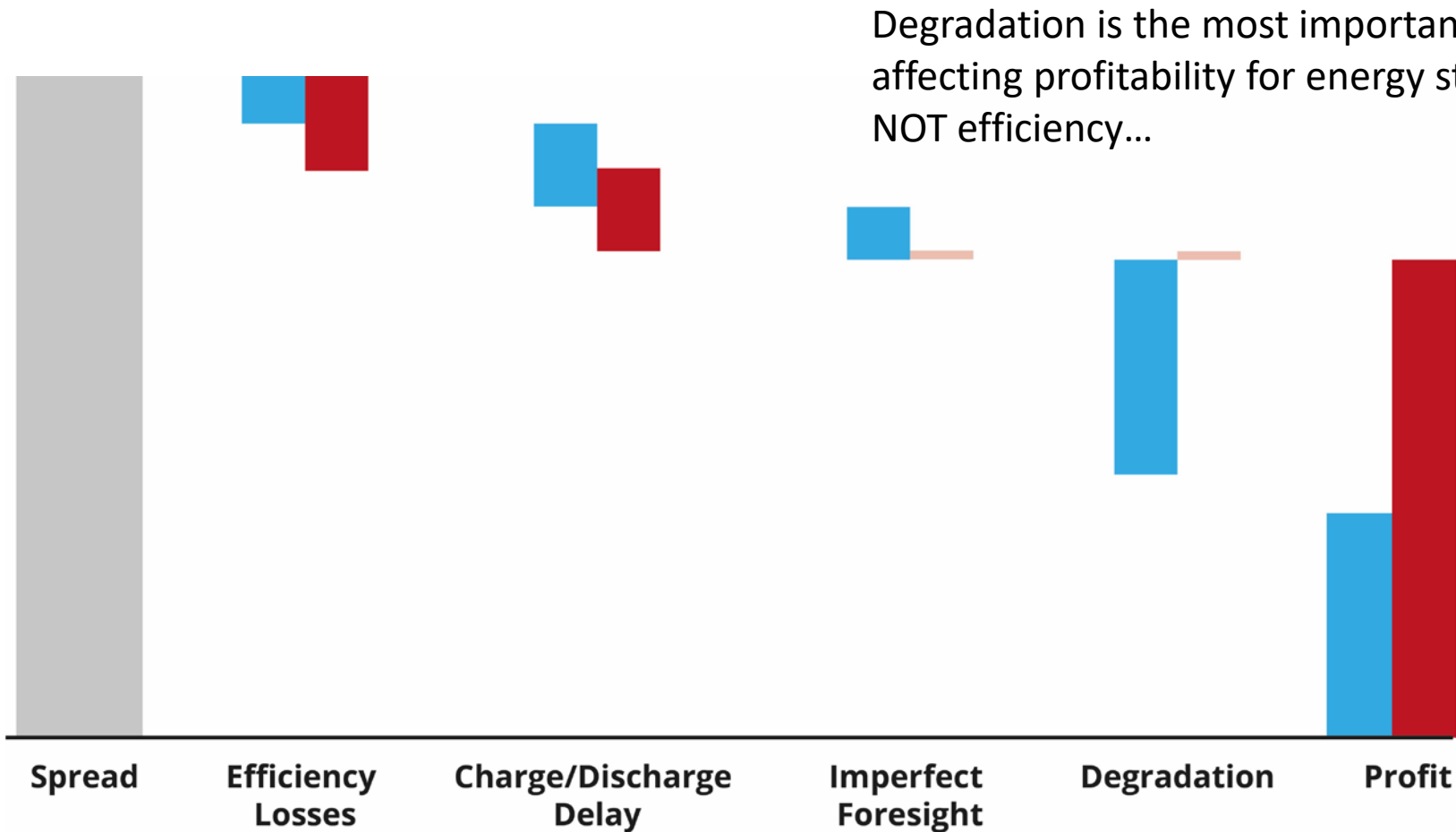


Returns at risk
Non-flexible business case

Hybrid energy storage



Its not all about efficiency...



■ Lithium ion ■ Flow Machine

redT corporate strategy

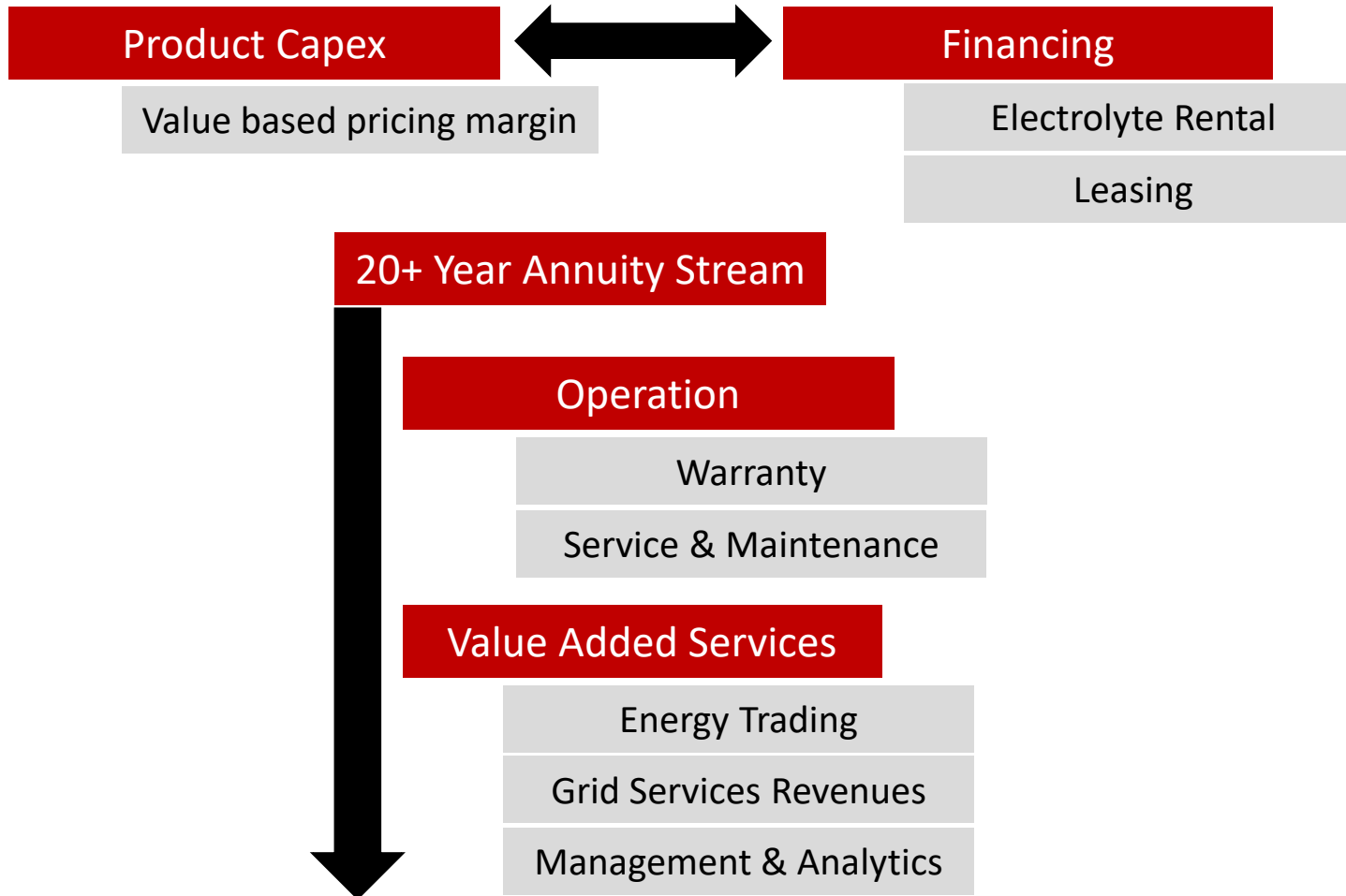
Experts in energy storage solutions – system “run-strategy” design, software solution, project finance, engineering & asset management

Revenue-based infrastructure customer business models

Outsourced manufacturing – Gigawatt scale, Tier 1 global manufacturing capability

One of the lowest cost Vanadium Energy Storage Machines available globally

redT revenue business model



Achievements & outlook

Recent Achievements

Proven UK commercial model - opened up lucrative UK market

1st Vanadium/Lithium hybrid system to be deployed in **Australia**

Flagship demonstration site installed in cooperation with **Centrica**

Key demonstration site commissioned in **South Africa (+ multiplier sales** in Botswana)

Generation 3 product development – increased performance, reduced size & costs

Near-Term Focus

Fulfilment of existing of Gen 2 orders

Launch of Gen 3 product

Pre-orders - €11m in final stage customer selection

Close and deliver Gen 3 orders

Close “Mega” projects in-front of meter, large scale generation

redT selected as energy storage partner for large scale UK Tidal generation project

FY 2017 Financials

FY 2017 Financial highlights

- Year end free cash €7.4m (2016: €2.8m)
- Revenue up 9% to €11.8m (2016 €10.8m)
- Trading loss ⁽¹⁾ €6.9m (2016: €5.3m loss) due to operational expansion
- Operating loss €7.9m (2016: €5.7m loss)
- Loans and borrowings €Nil (2016: €Nil)

⁽¹⁾ Operating loss excluding share-based payments

Income statement

	2017	2016	Movement	
	€m	€m	€m	%
Revenue	11.8	10.8	1.0	9
Cost of sales	(8.2)	(8.6)	0.4	4
Gross profit	3.6	2.2	1.4	59
Administrative expenses (excl. SBP)	(10.5)	(7.5)	(3.0)	(39)
Trading loss	(6.9)	(5.3)	(1.6)	(31)
Share-based payments (SBP)	(1.0)	(0.4)	(0.6)	(152)
Loss from operating activities	(7.9)	(5.7)	(2.2)	(39)
Net financing expense (FX)	(0.3)	(0.1)	(0.2)	(121)
Loss before tax	(8.2)	(5.8)	(2.4)	(41)
Income tax	-	0.2	(0.2)	(136)
Loss for the year	(8.2)	(5.6)	(2.6)	(46)
Trading loss	(6.9)	(5.3)	(1.6)	(31)
Add back depreciation	0.2	0.1	0.1	128
Adjusted EBITDA	(6.7)	(5.2)	(1.5)	(29)

Segmental analysis

	redT				Camco				Group			
	2017	2016	Movement		2017	2016	Movement		2017	2016	Movement	
	€m	€m	€m	%	€m	€m	€m	%	€m	€m	€m	%
											0	
Revenue	0.9	0.3	0.6	194	10.9	10.5	0.4	4	11.8	10.8	1.0	9
Cost of sales	(0.4)	(1.8)	1.4	79	(7.8)	(6.7)	(1.1)	(17)	(8.2)	(8.5)	0.3	4
Gross profit	0.5	(1.5)	2.0	133	3.1	3.8	(0.7)	(18)	3.6	2.3	1.3	59
Admin (excl. SBP)	(8.0)	(4.6)	(3.4)	(73)	(2.4)	(2.9)	0.5	15	(10.4)	(7.5)	(2.9)	(39)
Trading loss	(7.5)	(6.1)	(1.4)	(22)	0.7	0.9	(0.2)	(28)	(6.8)	(5.2)	(1.6)	(31)
SBP	(1.0)	(0.4)	(0.6)	(152)	-	-	-	-	(1.0)	(0.4)	(0.6)	(152)
Operating loss	(8.5)	(6.5)	(2.0)	(30)	0.7	0.9	(0.2)	(28)	(7.8)	(5.6)	(2.2)	(39)
Trading loss	(7.5)	(6.2)	(1.3)	(22)	0.7	0.9	(0.2)	(28)	(6.9)	(5.3)	(1.6)	(31)
Add back depreciation	0.2	0.1	0.1	143	-	-	-	-	0.2	0.1	0.1	128
Adjusted EBITDA	(7.3)	(6.1)	(1.2)	(21)	0.7	0.9	(0.2)	(29)	(6.7)	(5.2)	(1.5)	(29)

Cash flow

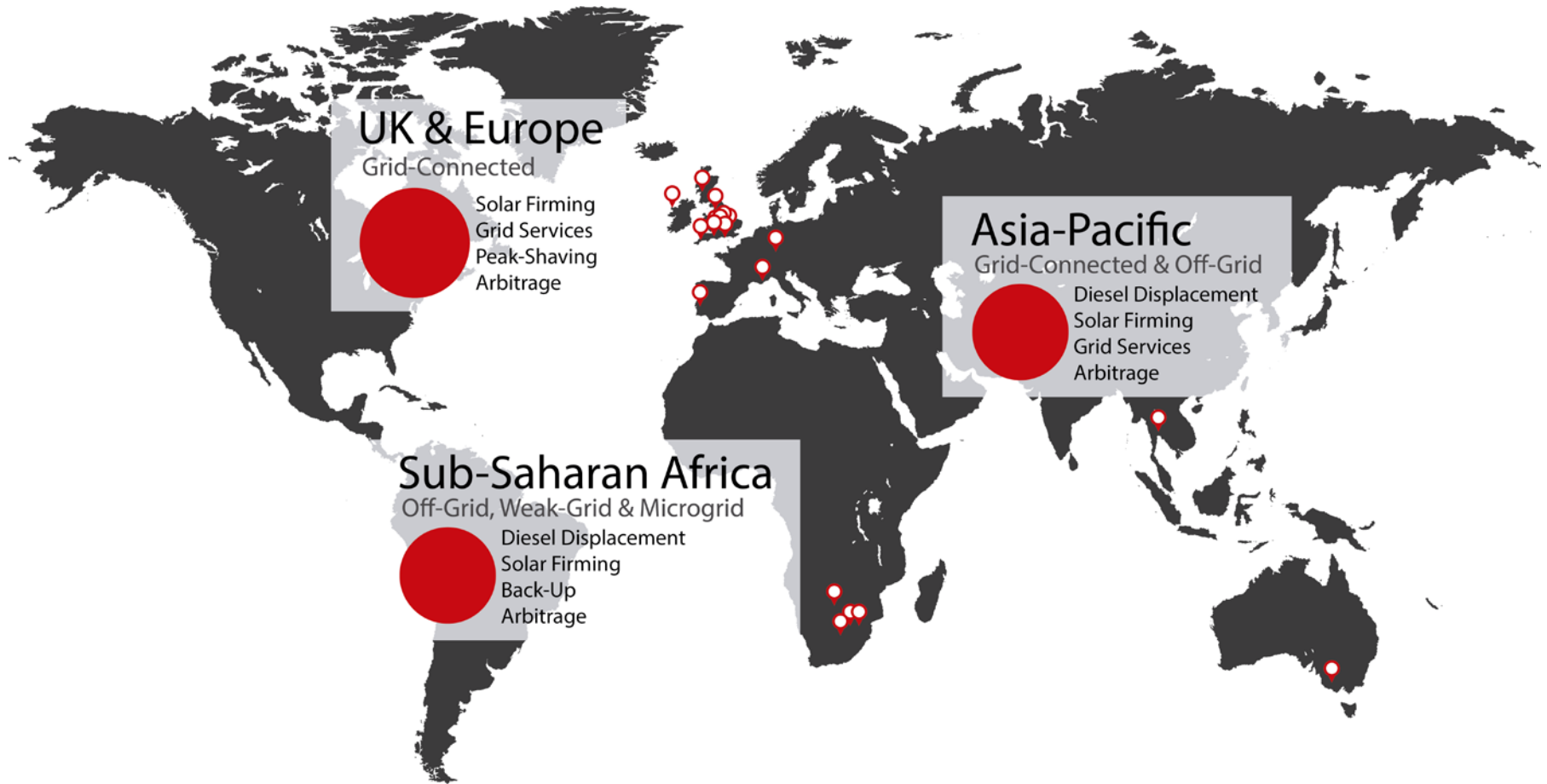
	2017	2016	Movem't
	€m	€m	€m
Loss for the year	(8.2)	(5.6)	(2.6)
Add back: SBP	1.0	0.4	0.6
depreciation	0.2	0.1	0.1
FX movements	0.3	0.1	0.2
taxation	-	(0.2)	0.2
Adjusted EBITDA	(6.7)	(5.2)	(1.5)
Movement in: receivables	(2.0)	0.2	(2.2)
inventory	(0.6)	-	(0.6)
payables	(2.7)	(1.3)	(1.4)
deferred income	1.4	-	1.4
Increase in working capital	(3.9)	(1.1)	(2.8)
Operating cash outflow	(10.6)	(6.3)	(4.3)
CAPEX	(0.5)	(0.1)	(0.4)
Proceeds from share issues	16.5	4.4	12.1
Proceeds from bio-gas asset sales	-	2.4	(2.4)
Increase in cash	5.4	0.4	5.0
Opening cash	2.7	2.9	(0.2)
FX on cash balances	(0.7)	(0.6)	(0.1)
Closing cash	7.4	2.7	4.7

Balance sheet

	2017	2016	Movem't
	€m	€m	€m
Property, plant and equipment	0.5	0.1	0.4
Intangible assets and goodwill	15.0	15.0	-
Deferred tax assets	0.1	0.2	(0.1)
Non-current assets	15.6	15.3	0.3
Inventory	0.6	-	0.6
Receivables	3.3	1.3	2.0
Payables	(1.7)	(4.0)	2.3
Deferred income	(2.1)	(0.7)	(1.4)
Working capital	0.1	(3.4)	3.5
Cash	7.4	2.7	4.7
Net assets	23.1	14.6	8.5
Equity			
Share capital & premium	110.3	93.9	16.4
Share-based payment reserve	1.9	1.1	0.8
Retained earnings	(87.5)	(79.4)	(8.1)
Translation reserve	0.2	0.7	(0.5)
Other reserve	(1.6)	(1.6)	-
Non-controlling interest	(0.2)	(0.1)	(0.1)
Total equity	23.1	14.6	8.5

Appendix

Production & deployment overview



Management & executive team

Management Team



Scott McGregor*

Chief Executive Officer

CEO since 2009, extensive experience within mining, finance and technology industries, redT CFO 2006-09



Dave Stewart*

Chief Operating Officer

Joined 2017 from Jabil inc. extensive experience within high growth tech companies (HP, Keysight)



Fraser Welham*

Chief Finance Officer

Joined 2018 from Green Investment Bank. Previous C-level experience with Element Power, Shanks Group plc.



Jean-Louis Cols

Technology Director

Joined 2017 from Logan Energy, previously Group Engineering Director at Intelligent Energy



Adam Whitehead

Head of Research

Joined 2017 from competitor Gildemeister energy storage, where he held Head of Research position

Board of Directors



Dr. Jeff Kenna

Chairman of the Board of Directors

Joined 2006. 30 years managing business in energy sector, policy advisor to EC, World Bank, UN and UK Government



Neil O'Brien

Non-Exec Director

Joined 2016, previously CEO of Alkane Energy from 2008.



Jonathan Marren

Non-Exec Director

Joined 2016, Advisor to company since 2006 with 16 years industry experience. redT CFO 2012-16.



Michael Farrow

Non-Exec Director

Joined 2006. Founder and director of Consortia Partnership Limited, Jersey.

** Also a member of the Board*