



2017 H1 Interim Results

Scott McGregor, Chief Executive Officer
Scott Laird, Finance Director

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Changing Perceptions in the Energy Storage Market

- The wider market is only beginning to understand power vs energy from a use case perspective



- Incumbent technologies (Lead, Lithium) are power-centric. Lots of power for a short period of time.
- Flow machines are energy-centric. Provide power over a sustained period in line with your use case

It's a Machine! Not a B*****!

Battery



10-20% Utilisation



Single service

Occasional Managed Usage

Power Focussed

Ideal for:

Frequency Response Tenders – Good return in short run, but not sustainable long term

Machine



60-100% Utilisation



Multiple, Stacked Services

Daily, Heavy Usage

Energy-Focussed

Ideal for:

Multiple, stacked services – Financeable, Infrastructure Asset with good long term returns

2017 H1 Highlights & YTD

redT

H1 2017

- **Commercial orders** for 6 x redT units
- **1st Gen 2 15kW-75kWh machine shipped** to customer site, The Thaba Eco Lodge in South Africa
- Agreement signed for **flagship 1MWh demonstration project** at The Olde House, Cornwall - undertaken alongside Centrica
- **Manufacturing Diversification** – reduced process risk & increased supply chain flexibility
- **Team expansion** +97% y-o-y
- More than **2.25MWh of redT machines either deployed, in transit or in production**

Post Period Activity

- **Commercial orders** for 16 redT units
- **Expansion into new markets** via strategic distribution partnerships (12 units committed)
- **Further team expansion** inc. senior hires within R&D and Business Development teams from key competitor

Camco

- **Legacy businesses** continued to generate a **positive contribution** for the Company

Case Study: The Olde House, Cornwall

1822% Increase in Utilisation of On-Site Generation

34% Reduction in Total Imported Electricity

10% Internal Rate of Return (IRR) (Unlevered)

Site Details



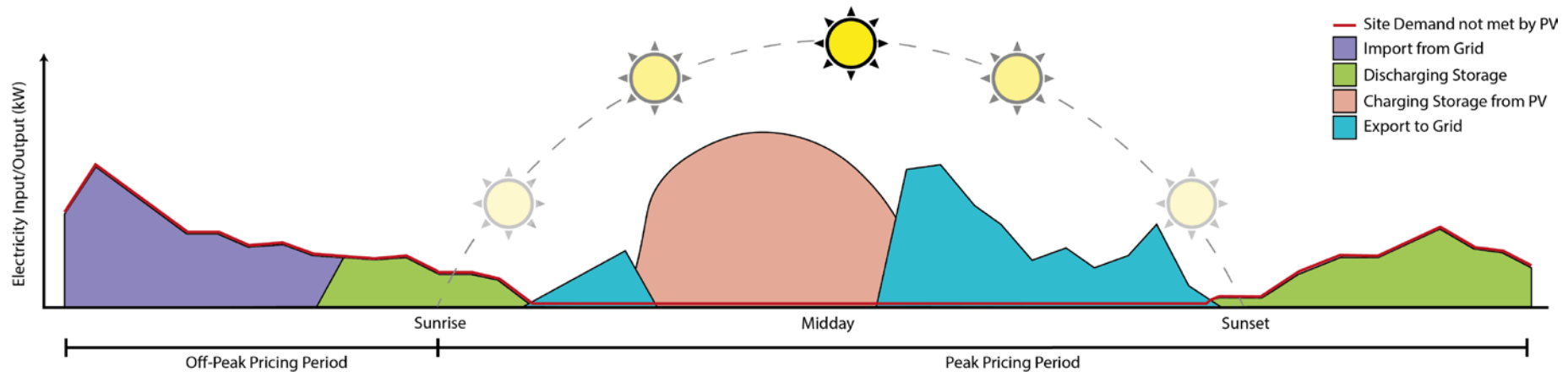
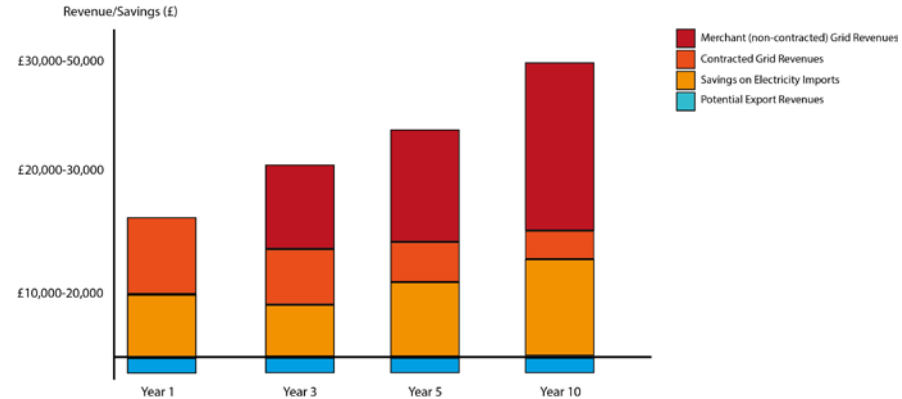
600 Acre Farm & Holiday Retreat, Cornwall, UK
Peak Demand: 130kW, Average Demand: 30kW



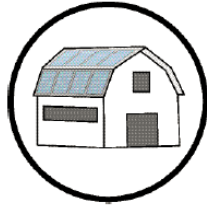
350kWp Solar Panels (Grid-Connected)



90kW, 1,080kWh redT energy storage system



Customer Case Study: UK Agri-Business



Agriculture Business
South-West England



250kWp of Solar
Panels
(Grid Connected)



60kW, 300kWh
redT energy storage

Key Project Financials

7-10 Years

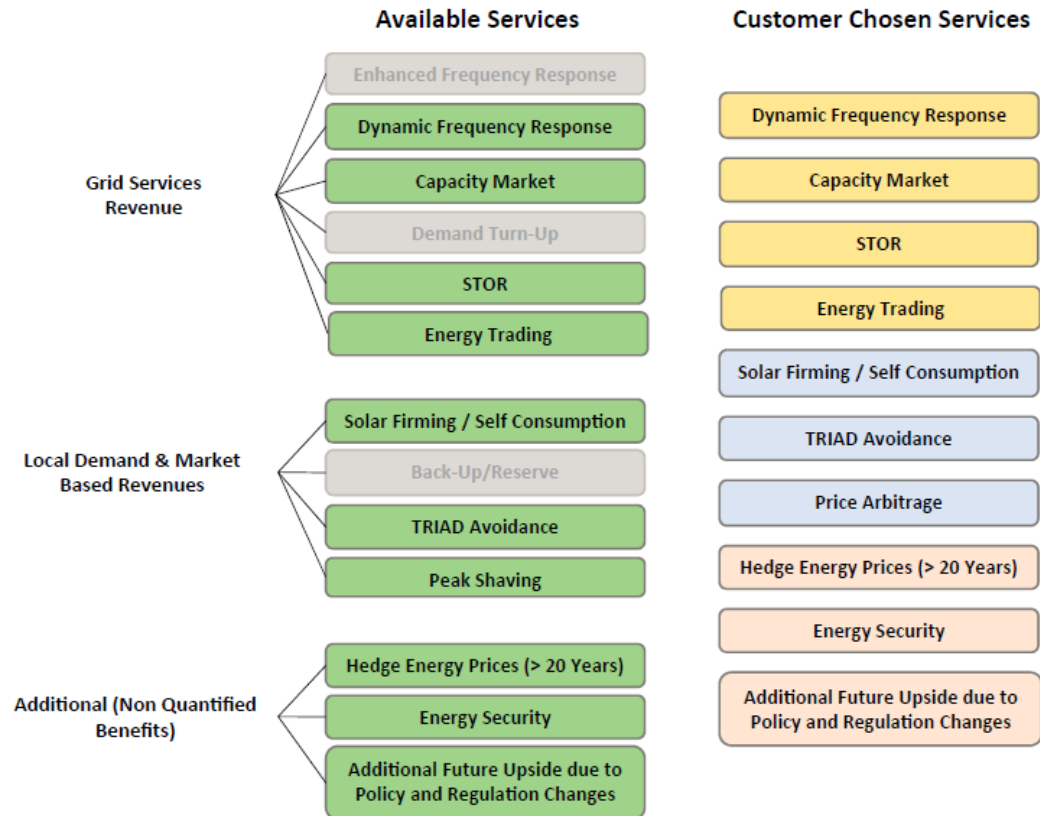
Project
Payback

10-17%

Internal Rate of Return
(Unlevered)

54MWh/Year

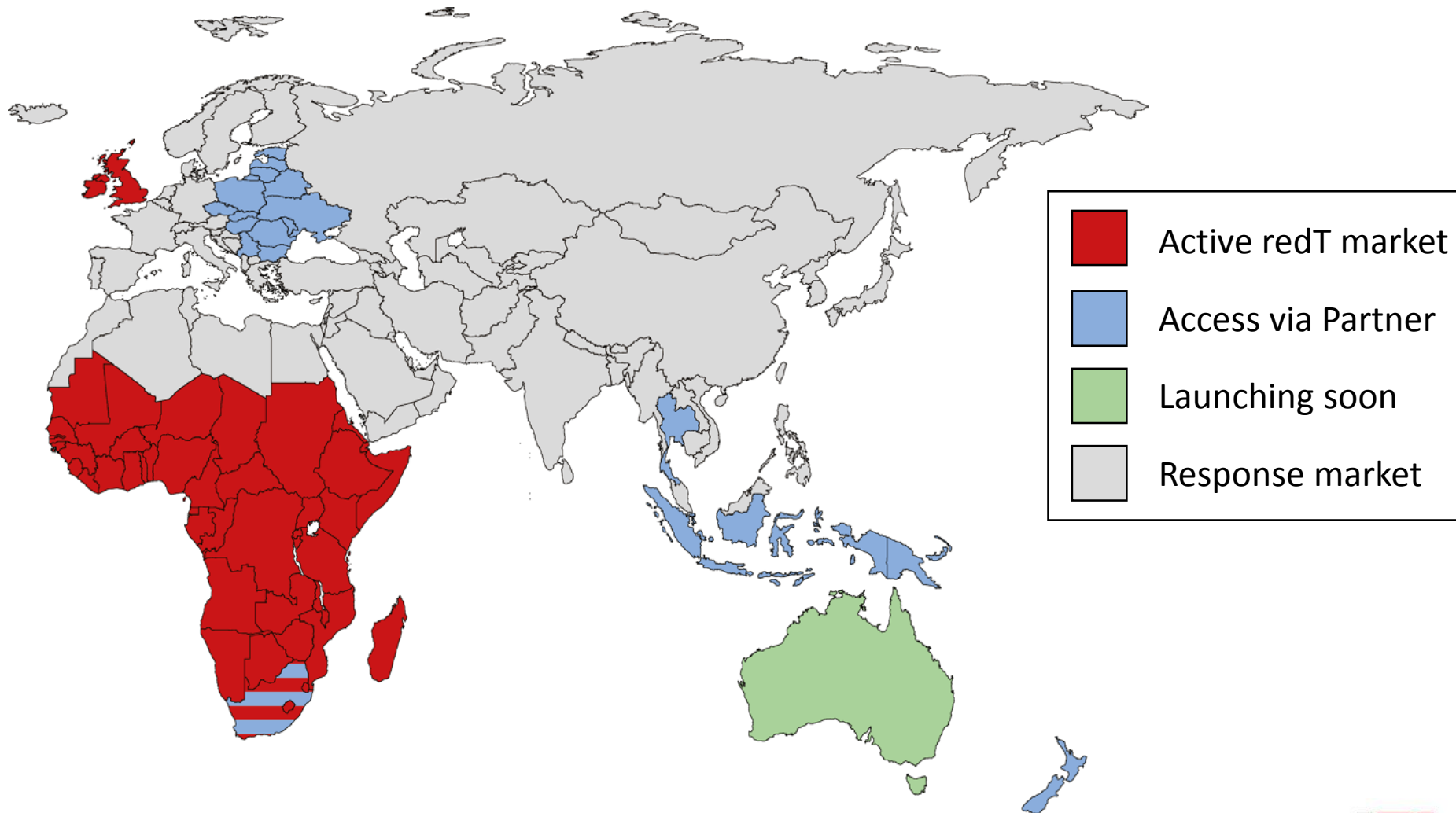
Additional PV
Generation Utilised



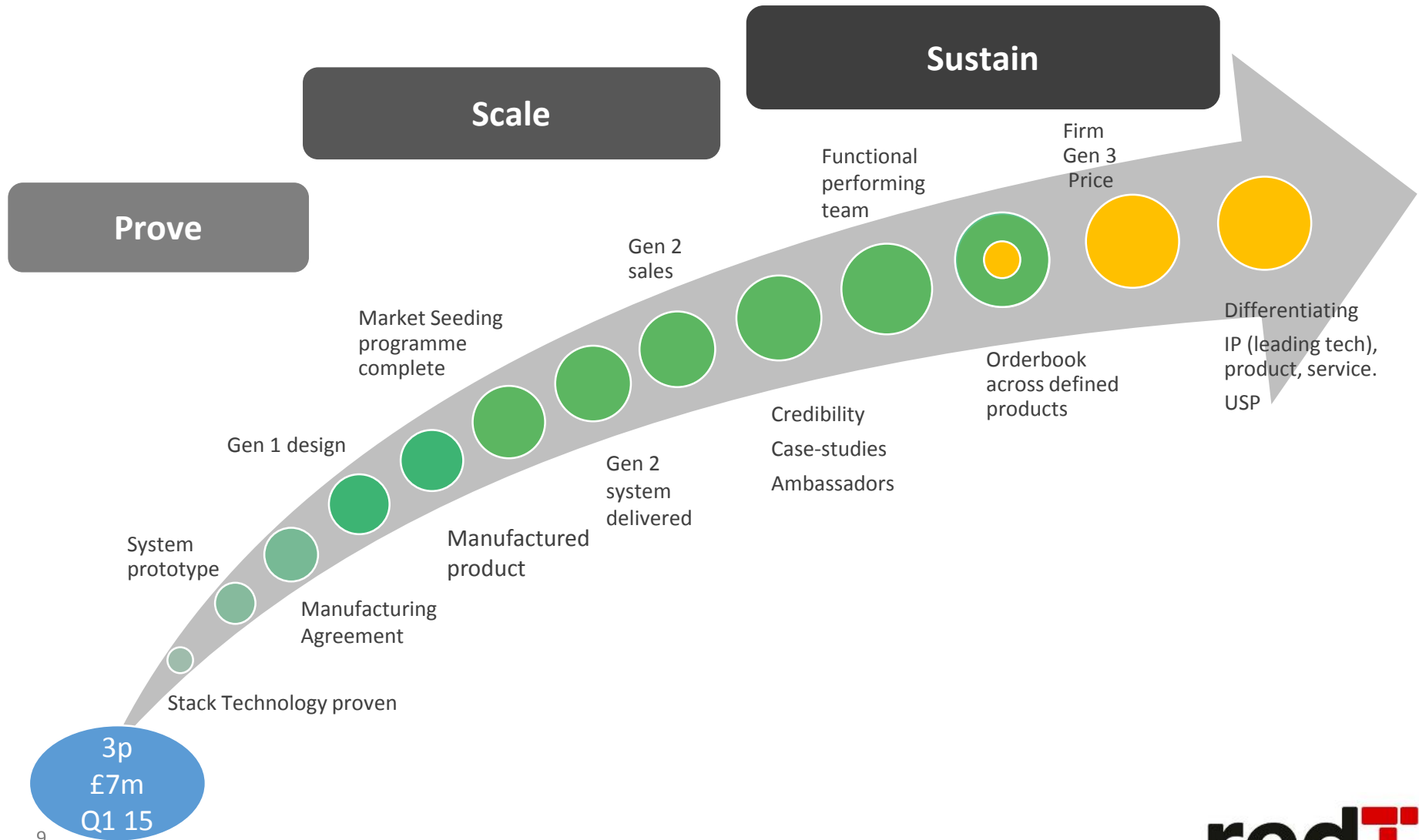
Commercial Update

	September 2017	April 2017	% Change
Production & Deployment	16 Units	9 Units	+78%
Orders	16 Units (+ 12 Distributor Committed)	5 Units	+220% (+ 12 units committed)
Final Stage Customer Selection for 2018 delivery	~€16.5m (205 Units)	~€6.5m (101 Units)	+154%
Active Customer Pipeline	~€323m	~€246m	+32%

Expansion into New Markets



Sustainable Equity Value



H1 2017 Financials

H1 2017 Financial Highlights

Financial results for the group in **H1 2017** were in line with overall management expectations

- **€13.2m** in available cash (FY 2016: €2.8m)
 - Loans and borrowings **€Nil** (FY 2016: €Nil)
 - Revenue for the period **€4.5m** (H1 2016: €4.5m) (incorporating Camco activity)
 - EBITDA loss for the period **€3.2m** (H1 2016: loss €2.2m)
-
- **redT business** – reflective of the strategic investment and continued growth of the business
 - **Camco business** – comprising the legacy business operations of Africa, US and Carbon – continues producing positive contributions to the Group

Income Statement

Consolidated statement of comprehensive income

For the period ended 30 June 2017

	H1 2017 €'000	H1 2016 €'000	FY 2016 €'000
Continuing operations			
Revenue	4,489	4,533	10,829
Cost of sales	(2,876)	(3,374)	(8,563)
Gross profit	1,613	1,159	2,266
Administrative expenses	(4,883)	(3,436)	(7,519)
Share based payment	(308)	(128)	(408)
Results from operating activities	(3,578)	(2,405)	(5,661)
Financial income	-	37	38
Financial expenses	-	-	-
Foreign exchange movement	(235)	(173)	(168)
Net financing expense	(235)	(136)	(130)
Share of loss of equity-accounted investees	-	-	-
Gain on disposal of equity-accounted investees	-	-	-
Loss before tax	(3,813)	(2,541)	(5,791)
Income tax credit	(1)	(1)	154
Loss from continuing operations	(3,814)	(2,542)	(5,637)
Discontinued operations			
Loss from discontinued operations	-	(24)	-
Loss for the period	(3,814)	(2,566)	(5,637)
Exchange differences on translation of foreign operations	(353)	(168)	(164)
Total comprehensive income for the period	(4,167)	(2,734)	(5,801)
EBITDA (before exceptional items and discontinued ops.)	(3,232)	(2,247)	(5,196)

Balance Sheet

Consolidated statement of financial position

At 30 June 2017

	H1 2017 €'000	H1 2016 €'000	FY 2016 €'000
Non-current assets			
Property, plant and equipment	221	95	103
Goodwill	8,167	8,167	8,167
Intangible assets	6,822	6,822	6,822
Deferred tax assets	173	119	175
	15,383	15,203	15,267
Current assets			
Prepayments and accrued income	994	369	509
Trade and other receivables	547	747	775
Corporate tax receivable	7	-	7
Cash and cash equivalents	13,204	5,525	2,753
	14,752	6,641	4,044
Total assets	30,135	21,844	19,311
Current liabilities			
Trade and other payables	(2,070)	(3,498)	(3,972)
Deferred income	(828)	(524)	(480)
Corporate tax payable	-	(147)	-
	(2,898)	(4,169)	(4,452)
Non-current liabilities			
Deferred income	-	(250)	(222)
	-	(250)	(222)
Total liabilities	(2,898)	(4,419)	(4,674)
Net assets	27,237	17,425	14,637

Equity attributable to equity holders of the parent

	H1 2017 €'000	H1 2016 €'000	FY 2016 €'000
Share capital	6,539	4,617	4,679
Share premium	103,800	89,201	89,201
Share-based payment reserve	1,426	901	1,118
Retained earnings	(83,088)	(76,360)	(79,340)
Translation reserve	376	725	729
Other reserve	(1,621)	(1,621)	(1,621)
Non-controlling interest	(195)	(38)	(129)
Total equity	27,237	17,425	14,637

Cash Flow

Consolidated statement of cash flow

For the period ended 30 June 2017

	H1 2017 €'000	H1 2016 €'000	FY 2015 €'000
Cash flows from operating activities			
Loss for the year	(3,814)	(2,566)	(5,637)
Adjustments for:			
Depreciation, amortisation and impairment	38	30	57
Foreign exchange loss on translation	235	173	168
Financial income	-	(37)	(38)
Financial expense	-	-	-
Impairment of receivables - bad debt write-off	-	-	(36)
Share of loss of equity accounted investees	-	-	-
Gain on disposal of equity-accounted investee	-	-	-
Gain on sale of discontinued operations, net of tax	-	24	-
Equity settled share-based payment expenses	308	128	345
Taxation	1	1	(59)
	(3,232)	(2,247)	(5,200)
(Increase)/decrease in trade and other receivables	(255)	334	170
Decrease in trade and other payables	(1,831)	(1,696)	(1,314)
	(2,086)	(1,362)	(1,144)
Net cash outflow from operating activities	(5,318)	(3,609)	(6,344)

Cash flows from investing activities

Proceeds from disposal of discontinued operations	-	-	-
Acquisition of a subsidiary, net of cash	-	-	-
Acquisition of property, plant and equipment	(156)	(23)	(72)
Net cash inflow from investing activities	(156)	(23)	(72)

Cash flows from financing activities

Proceeds from the issue of share capital	16,459	4,344	4,406
Proceeds from other financial assets	-	2,420	2,420
Interest received	-	37	38
Interest paid	-	-	-
Net cash inflow from financing activities	16,459	6,801	6,864
Net increase in cash and cash equivalents	10,985	3,169	448
Cash and cash equivalents at 1 January	2,753	2,935	2,935
Effect of exchange rate fluctuations on cash held	(534)	(579)	(630)

Net cash and cash equivalents at 30 June

	H1 2017 €'000	H1 2016 €'000	FY 2015 €'000
Net cash and cash equivalents at 30 June	13,204	5,525	2,753

Segmental Analysis

Operating segments

For the period ended 30 June 2017

	redT			Camco			Consolidated		
	H1 2017	H1 2016	FY 2016	H1 2017	H1 2016	FY 2016	H1 2017	H1 2016	FY 2016
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segment revenue	198	82	302	4,291	4,451	10,527	4,489	4,533	10,829
Segment gross margin	198	(353)	(1,540)	1,415	1,512	3,806	1,613	1,159	2,266
Segment administrative expenses	(3,589)	(2,166)	(4,680)	(1,290)	(1,270)	(2,875)	(4,879)	(3,436)	(7,555)
Segment result	(3,391)	(2,519)	(6,220)	125	242	931	(3,266)	(2,277)	(5,289)
Impairment of receivables	-	-	-	(4)	-	36	(4)	-	36
Share-based payments							(308)	(128)	(408)
Results from operating activities							(3,578)	(2,405)	(5,661)
Finance income							-	37	38
Finance expense							-	-	-
Foreign exchange movement							(235)	(173)	(168)
Taxation							(1)	(1)	154
Loss from discontinued operation							-	(24)	-
Loss for the period							(3,814)	(2,566)	(5,637)
Exchange differences on translation of foreign ops							(353)	(168)	(164)
Total comprehensive income for the period							(4,167)	(2,734)	(5,801)

redT – Business Outlook

- Focussed on **implementation and deployment** of key customer sites (Olde House, RNLI etc.)
- Final stage of **redT team build-out**
- Key segments & **product differentiation**
- **Building orderbook** for 2018
- **Gen 3 development**, cost and specifications

Appendix

Hybrid Energy Storage

