



# FY19 Results Presentation

July 2020

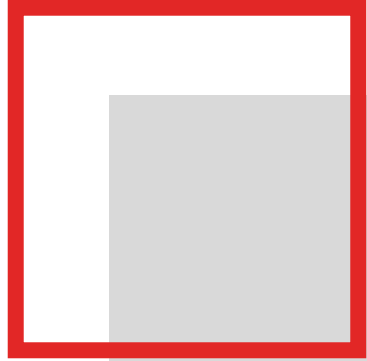


# Agenda



- 1** Current Trading
- 2** Key Strategic Priorities
- 3** FY19 Financials
- 4** Questions

# Executive Summary



**Merger and integration** ————— successful

**Strategy “alternative to lithium”** ————— well-received

**Commercial traction** ————— demonstrated

**Pandemic impact** ————— mitigated

**Primary focus** ————— execution against opportunity

**Final** ————— redT energy financial results

# Current Trading

# Invinity Achievements

## Successful integration

- ❑ Cohesive global team
- ❑ New Invinity modules combine best of Avalon and redT technologies
- ❑ Systems and processes aligned

## Early commercial traction

- ❑ Positive market reception to Invinity brand and strategy
- ❑ Signed contracts
- ❑ Significant deal flow

## Effective Group operation

- ❑ Manufacturing resumed at key hubs
- ❑ Supply chain functioning smoothly
- ❑ Energy Superhub Oxford delivery on track

# Commercial Progress

## Demand steady despite global pandemic

- Energy market volatility proves value of long-duration, heavy-cycling storage

## Recent sales to key customers

- Major US-based municipal utility
- Leading Asia-based developer of energy storage projects
- Global retail chain

## Commercial team delivering on strategy

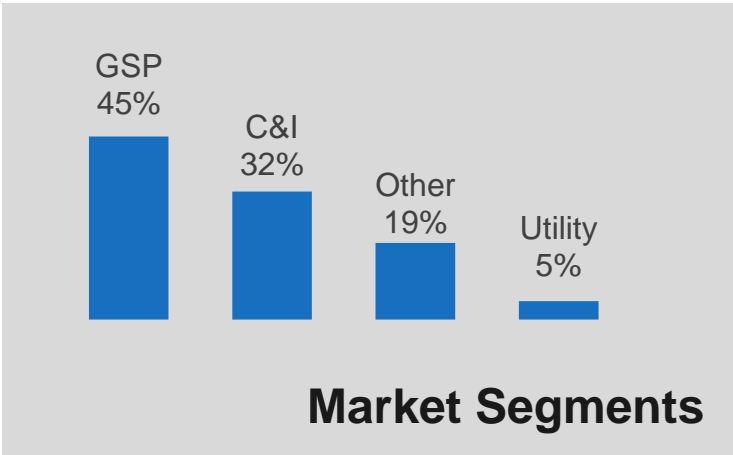
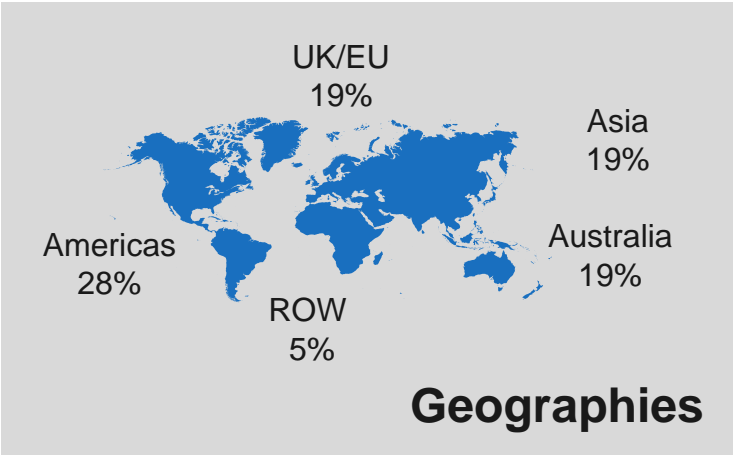
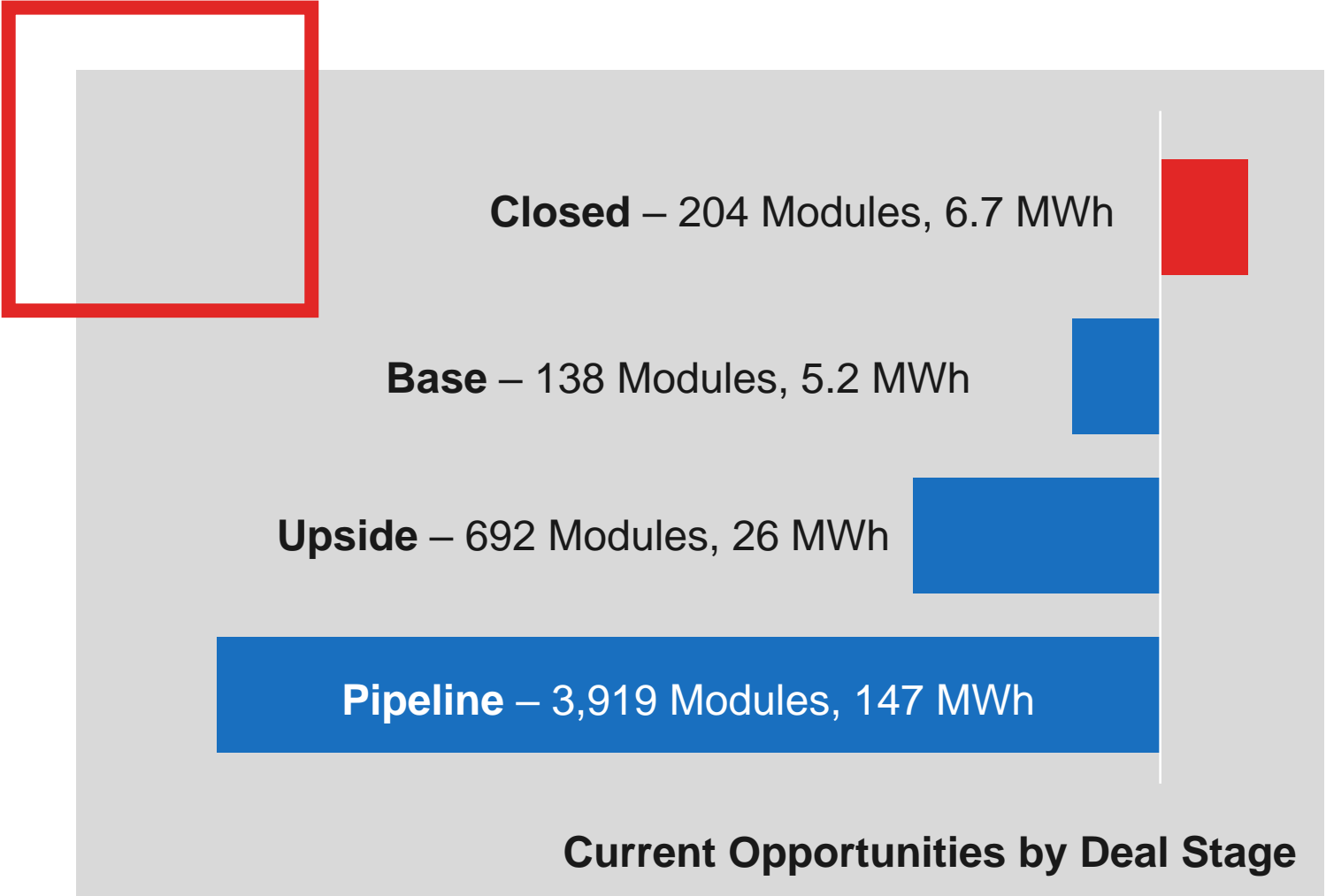
- Utilise channel partners to feed pipeline
- Make strategic sales with follow-on order potential
- Focus on core applications and markets

40  
modules  
Sold in H1

£1.1m  
Contract Value

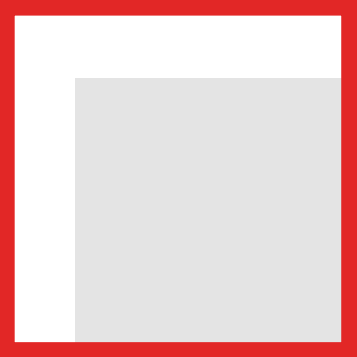
1.7 MWh  
Total capacity

# Sales Pipeline





# Product Evolution



## *Invinity VS3-022: The “six-pack”*

Rated Power, Continuous:	<b>78 kW – 10 MW</b>
Energy Storage, Nominal:	<b>220 kWh – 40 MWh</b>
Energy Storage, Duration:	<b>2 – 12 hours</b>
Lifetime:	<b>25 years</b>
Recommended Depth of Discharge:	<b>100%</b>
Cycle Life:	<b>Unlimited</b>







# Case Study: Energy Superhub Oxford

## Energy Superhub Oxford is a grid-connected project

- High-profile £41 million reference site
- Showcasing EV charging, energy storage, low carbon heating
- Developed by **Pivot Power** (subsidiary of **EDF Renewables**)
- Programme to develop 45 similar sites across the UK to support EV integration and balancing of renewables onto the National Grid

## Invinity Will Provide UK's largest flow battery

- 2MW / 5MWh flow battery system
- Flow batteries chosen to provide heavy cycling capability
- Order to be fulfilled with 162 Invinity VS3 modules
- **Manufacturing currently underway**

## Consortium Partners:



# Operations Update

## Group operations **return to full capacity**

- Manufacturing hubs in China, Canada and UK resume
- Staff return to offices where safe and appropriate

## ESO **progress** towards delivery

- Progress towards key milestones continues
- Remain confident in ability to commence delivery by year-end

Post-merger **Group integration** and administration largely complete



*Invinity Bathgate facility 17/6/2020*

# Key Strategic Priorities

# Key Strategic Priorities

## **Deliver Energy Superhub Oxford (ESO) project**

- Key demonstration of flow batteries for grid services
- ESO project key reference point for future large scale projects

## **Establish Foundation for Scale**

- Existing team integrated with zero functional overlap
- Team, facilities and processes to support growth

## **Capitalize on commercial opportunities**

- Build deal flow across leading global storage markets
- Prove massive opportunity beyond lithium

## **Balance Capital Position with Growth Plans**

# FY19 Financials

# Highlights

- Revenue £0.7m (2018: £2.5m)
- Trading loss £6.9m (2018: £11.7m loss)
- Operating loss £7.4m (2018: loss £12.3m)
- Year-end free cash £1.2m (31 December 2018: £3.3m)
- Loans and borrowings £1.1m (2018: £Nil)
- £0.6m disposal profit on sale of remaining Camco operations

# Income Statement

	2019	2018	Variance	
	£m	£m	£m	%
<b>Revenue</b>	<b>0.7</b>	<b>2.5</b>	<b>(1.8)</b>	<b>(74)</b>
Cost of sales	(0.3)	(2.1)	1.8	<b>90</b>
<b>Gross profit</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>	<b>26</b>
Administrative expenses (excl. SBP)	(7.3)	(12.1)	4.8	39
<b>Trading loss</b>	<b>(6.9)</b>	<b>(11.7)</b>	<b>4.8</b>	<b>41</b>
Merger transaction costs	(0.5)	-	(0.5)	n/a
Share-based payments (SBP)	-	(0.6)	0.6	98
<b>Operating loss</b>	<b>(7.4)</b>	<b>(12.3)</b>	<b>4.9</b>	<b>39</b>
Net financing expense (mainly FX)	-	(0.1)	0.1	140
<b>Loss before tax</b>	<b>(7.4)</b>	<b>(12.4)</b>	<b>5.0</b>	<b>41</b>
Income tax	-	(0.1)	0.1	95
<b>Loss from continuing operations</b>	<b>(7.4)</b>	<b>(12.5)</b>	<b>5.1</b>	<b>41</b>
Loss from discontinued operations	-	-	-	n/a
Gain on sale of discontinued operations	0.6	-	0.6	n/a
<b>Loss for the period</b>	<b>(6.8)</b>	<b>(12.5)</b>	<b>5.7</b>	<b>45</b>
<b>Trading loss</b>	<b>(6.9)</b>	<b>(11.7)</b>	<b>4.8</b>	<b>41</b>
Add back depreciation	0.4	0.3	0.1	39
IFRS 16 lease payments	(0.1)	-	(0.1)	n/a
<b>Adjusted EBITDA</b>	<b>(6.6)</b>	<b>(11.4)</b>	<b>4.8</b>	<b>42</b>



# Cashflow

	2019 £m	2018 £m	Variance £m
<b>Loss for the year</b>	<b>(6.8)</b>	<b>(12.5)</b>	<b>5.7</b>
Add back: SBP	-	0.6	(0.6)
depreciation	0.4	0.3	0.1
gain on disposal disc. ops	(0.6)	-	(0.6)
net finance expense	-	0.1	(0.1)
taxation	-	0.1	(0.1)
<b>EBITDA</b>	<b>(7.0)</b>	<b>(11.4)</b>	<b>4.4</b>
Payment of IFRS 16 lease liabilities	(0.1)	-	(0.1)
Movement in: receivables	-	1.4	(1.4)
inventory	0.3	-	0.3
payables	0.3	0.1	0.2
deferred income	(0.2)	(1.6)	1.4
Increase in working capital	0.4	(0.1)	0.5
<b>Operating cash outflow</b>	<b>(6.7)</b>	<b>(11.5)</b>	<b>4.8</b>
CAPEX	-	(0.4)	0.4
Proceeds from sale disc. operations	0.6	-	0.6
Proceeds from share issues	2.9	8.5	(5.6)
Proceeds from debt	1.2	-	1.2
<b>Increase in cash</b>	<b>(2.0)</b>	<b>(3.4)</b>	<b>1.4</b>
Opening cash	3.3	6.6	
FX on cash balances	(0.1)	0.1	
<b>Closing cash</b>	<b>1.2</b>	<b>3.3</b>	

# Balance Sheet

	31 Dec 19	31 Dec 18	Movement
	£m	£m	£m
Property, plant and equipment	0.3	0.5	(0.2)
Intangible assets and goodwill	12.8	13.5	(0.7)
<b>Non-current assets</b>	<b>13.1</b>	<b>14.0</b>	<b>(0.9)</b>
Inventory	0.2	0.5	(0.3)
Receivables	0.8	1.2	(0.4)
Payables	(1.6)	(1.6)	-
Deferred income	-	(0.1)	0.1
<b>Working capital</b>	<b>(0.6)</b>	<b>(0.0)</b>	<b>(0.6)</b>
Cash	1.2	3.3	(2.1)
Borrowings	(1.1)	-	(1.1)
<b>Net debt</b>	<b>0.1</b>	<b>3.3</b>	<b>(3.2)</b>
<b>Net assets</b>	<b>12.6</b>	<b>17.3</b>	<b>(4.7)</b>
<b>Equity</b>			
Share capital & premium	109.2	106.3	2.9
Share-based payment reserve	2.2	2.2	-
Retained earnings	(97.9)	(91.1)	(6.8)
Translation reserve	0.5	1.3	(0.8)
Other reserve	(1.4)	(1.4)	-
<b>Total equity</b>	<b>12.6</b>	<b>17.3</b>	<b>(4.7)</b>

# Questions

