

# Investor Presentation

April 2024



## Capital injection intended to unlock transformational next stage in Invinity's business

### Proposal

Fully funded  
to net cash  
generation

Endorsement by  
new strategic  
investors

Strengthened  
balance sheet to  
support larger sales

Licence and royalty  
model outside core  
markets

## The culmination of 12+ months of detailed discussion and due diligence by multiple strategic investors

### Transaction

- Raising a minimum of £50m via a placing and subscription
- Planned Open Offer
- Use of Proceeds
  - Working Capital
  - Accelerate UK business

## Invinity to announce a firm intention to redomicile to the UK from Jersey

- A global leader in **vanadium flow batteries** for the energy transition
- Longer-duration, safer, more durable **alternative** to lithium-ion batteries
- Standardized, **factory-built** products
- **More than 1,200** flow batteries delivered globally
- Sales pipeline **over 6 GWh**

Global Footprint  
75 MWh



EDF Renewables  
5 MWh  
Oxford, UK



Yadlamalka Energy  
8 MWh  
South Australia



Elemental Energy  
8.4 MWh  
Alberta, Canada



**82**

PROJECTS

Across 15 countries on five continents

**75**

MWH

Deployed or contracted

**152**

EMPLOYEES

Believed to be the most experienced team in flow batteries

**81**

PATENTS

Granted or pending, plus trade secrets

**15+**

YEARS

R&D investment in product and manufacturing

# The Global LDES Market Opportunity

## McKinsey estimates the Long Duration Energy Storage market to be over \$1 trillion by 2040

- LDES deployment growing **exponentially**
- Over **\$4 billion** invested globally in LDES in 2023 (+120% YoY) accelerated by U.S. IRA and the EU REPowerEU
- California, **\$300 million** committed, needs 55 GW of LDES
- NSW, Australia, **4 gigawatt-hours** of LDES tendered
- UK, LDES Cap & Floor mechanism plus other funding initiatives bringing **LDES onto UK grid**

*“Advancing long duration energy storage technologies is key to making energy generated from clean renewable resources — like wind and solar — available for 24/7 use and is critical to achieving a decarbonized power grid.”*

– Jennifer Granholm, U.S. Secretary of Energy

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Department of Energy

### Biden-Harris Administration Announces \$325 Million For Long-Duration Energy Storage Projects to Increase Grid Resilience and Protect America's Communities

SEPTEMBER 22, 2023

HOUSE OF LORDS

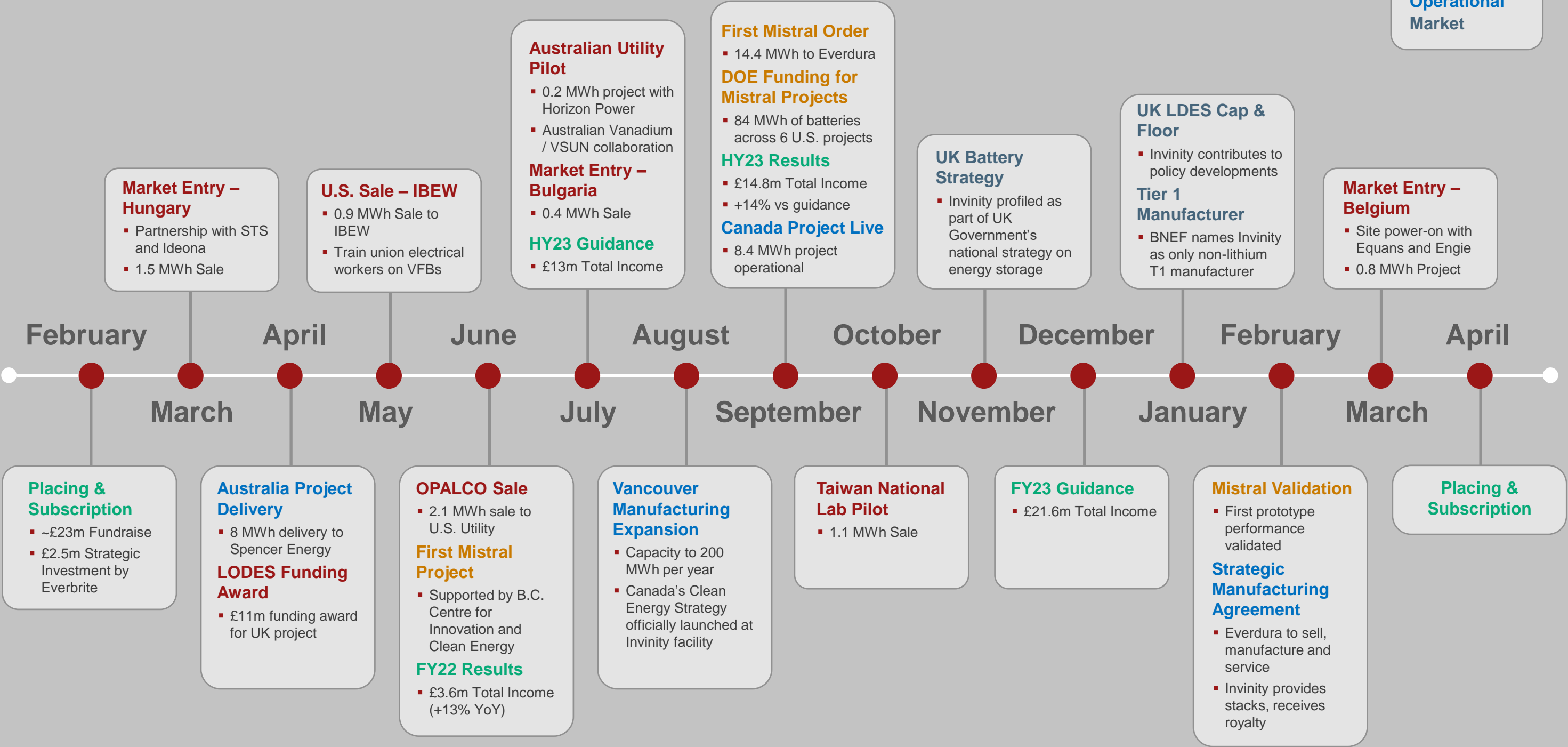
Science and Technology Committee

1st Report of Session 2023–24

## Long-duration energy storage: get on with it

# 15 Months of Corporate Achievements

**Commercial**  
**Financial**  
**Mistral**  
**Operational**  
**Market**



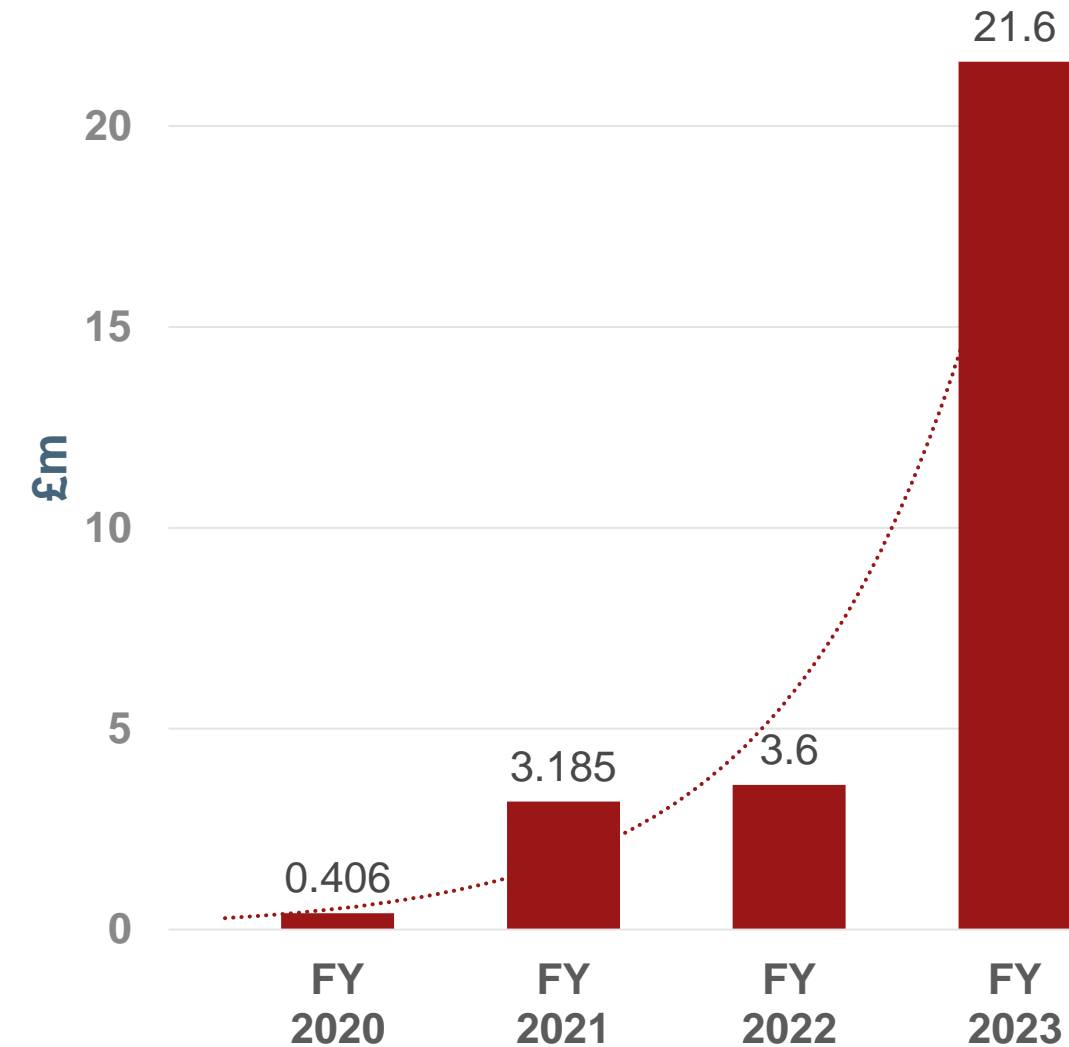
## Growth in income and opportunity

- **+500% YoY** total income growth to **£21.6m<sup>1</sup>**
- Over **6 GWh** global demand (+176% YoY<sup>2</sup>) with **~100 MWh** of Mistral projects awarded
- **Tier 1** energy storage manufacturer per BNEF
- Partnership **strategy** delivering results in new markets
  - Asia: Taiwan, Korea
  - Europe: Belgium, Hungary, Bulgaria
- Invinity currently trading in line with expectations

## Next-generation product nearing launch

- First **Mistral** product built and performance validated
- Production prototype currently in **manufacturing**
- On schedule for **official product launch** later this year

Total Income



<sup>1</sup> Minimum, subject to audit

<sup>2</sup> Compared with total pipeline for May 2023

# Mistral

The LDES flow battery



## Joint development project

- Joint development with Gamesa Electric, a wholly-owned subsidiary of SGRE/Siemens Energy
- Commenced May 2021 with Commercial release expected H2 2024

*A product building on both parties' proven expertise*

## Designed to meet future energy storage requirements

- Targeting grid-scale, lower total cost, longer duration (4 to 12 hours)
- Focus on daily operation and multiple revenue streams (highest value segment)
- Asset life compatible with renewables (>20 years) & highly recyclable

*Energy storage specifically matched to wind power*

## Mistral represents Invinity's future

- Expected to generate industry-standard margins for Invinity
- Significant commercial interest in current (grid) and emerging (C&I) markets
- Designed for IP-protected licence and royalty model with strategic partners
- Compelling economics, performance, and characteristics (safety, longevity)

*We believe Mistral to be one of the world's most advanced non-lithium batteries*



# Mistral: Evolution & Optimisation

Mistral scales up proven VS3 technology to deliver improved performance, simplified installation, reduced maintenance and significantly lower costs.

	VS3		Mistral*	Change
Efficiency	67%	➔	78%	17%
MWh Footprint	96m <sup>2</sup>	➔	38m <sup>2</sup>	60%
Wiring Connections	11	➔	4	55%
Tanks and Pumps	12	➔	2	83%
Battery Controllers	7	➔	2	71%
<b>Cost of Storage</b>	<b>\$111/MWh</b>	➔	<b>\$60/MWh</b>	<b>46%</b>

\*Mistral programme targets at launch, (Source: Internal data)

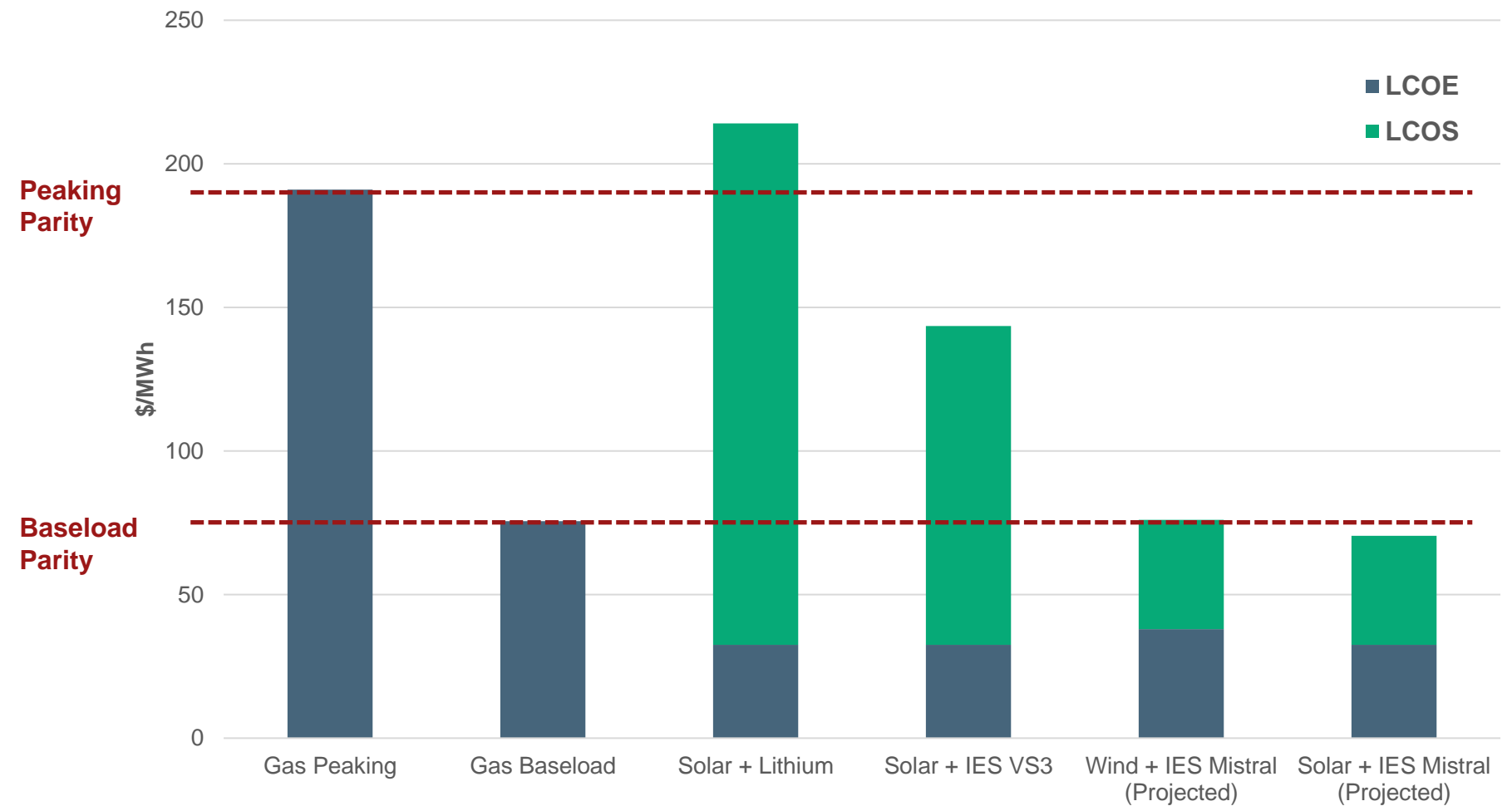
## Mistral

- 20 ft containerised modules
- Proven S4 cell stacks
- Short-side maintenance access
- Four modules per “string”
- 12 strings (48 modules) per “array”

# Changing the Economics of Energy

The energy market will be fundamentally altered when renewable energy on demand costs less than the least expensive fossil-fuel generation.

- Renewables provide **lowest cost energy**, but need energy storage to become baseload
- Lithium batteries' high **LCOS** (levelised cost of storage) not competitive with conventional baseload
- Current VS3 already has **lower LCOS** than lithium
- Mistral targets low LCOS that, combined with solar or wind, provides energy on demand **below average gas baseload costs**
- We see **Mistral as key enabler** to the global energy transition



**Lithium Data:** Lazard LCOS 7.0; **Wind and Solar Data:** Lazard LCOE 15.0; Lazard assumes unsubsidized gas price of \$3.45/MMBTU; IES figures based on company and development partner programme targets.

# Invinity's Pipeline by Region



**North America**  
**1,930 MWh**

**U.S. Market Drivers**

- +75% forecast growth in PV, +11% in wind 2023-2025
- Govt-funded LDES projects
- Inflation Reduction Act investment in domestic supply chain

**UK**  
**505 MWh**



**UK Market Drivers**

- 2030 National Renewable targets (50GW Wind, 70GW PV)
- Saturated short-duration battery market driving new business models
- Political and regulatory support for LDES and UK-manufactured solutions



**Europe**  
**1,092 MWh**

**EU Market Drivers**

- 26% (2023) decline in coal generation
- Urgent Europe-wide initiatives to reduce gas consumption (RePower EU)
- National electricity market reform in Italy, Poland, Belgium, Portugal



**Asia**  
**2,414 MWh**

**Asian Market Drivers**

- Strategic desire to reduce reliance on Chinese products in many countries (Taiwan, Korea, Japan etc.)
- Significant safety concerns over lithium-ion has led developers to seek alternatives
- Islanded national grids with limited interconnections incentivise self generation

**Australian Market Drivers**

- National Electricity Market transitioning away from coal
- World's largest interconnected electricity network leads to significant price spreads
- Economic and political support for electricity infrastructure investment

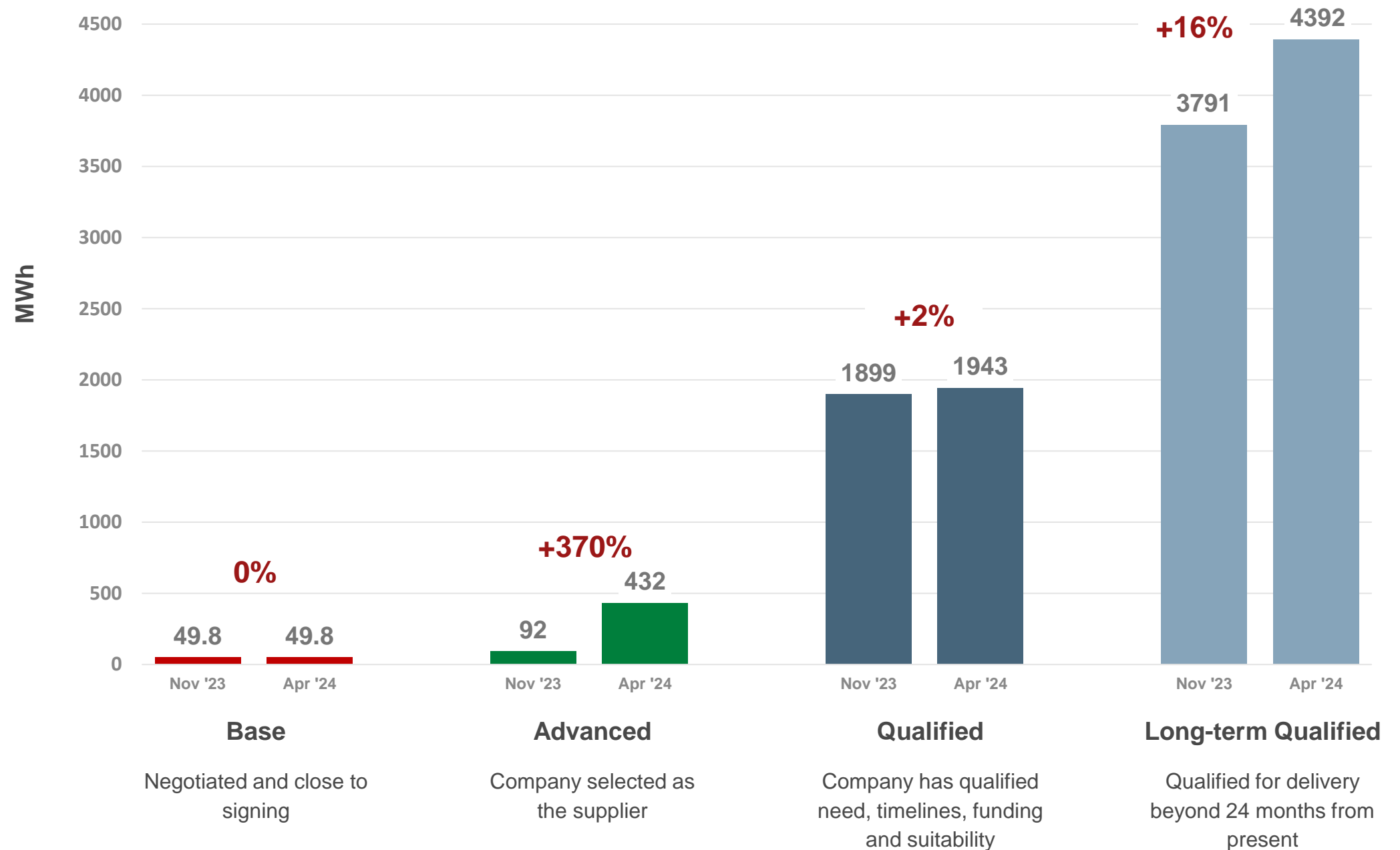
**Australia**  
**803 MWh**



# April 2024: Sales Pipeline Increases

## 17% increase in total deal pipeline driven by key factors:

- **Lithium's limitations** becoming clearer
- **Policy support** for domestic solutions in core markets
- **Regulation emerging** to enhance long-duration storage profitability.
- **Key Markets**
  - North America
  - Asia
  - UK & EU
  - Australia



# Corporate Strategy

Capital deployment to achieve net cash generation

## Direct sales in core markets of UK and North America

- Retain full manufacture and sales operation in core geographies – delivering **higher margin sales**
- Leverage **growing manufacturing capability** and existing sales network
- **Direct commercial engagement** – drive demand and enhance value perception
- Manufacturing capabilities in core markets remains **central to future R&D** and product optimisation
- Retain **control over lead times** and quality
- Opportunity to explore selective **contract manufacturing** as the business scales

## Licence Mistral design outside core markets for revenue-based royalty

- Manufacture and sell Mistral batteries **via licence and royalty** partners, IP retained by Invinity
- Presents **capex-light model** to scale revenue, retaining control over design and product
- Relationships pursued with **effective** commercial, operational, and manufacturing partners
- Use territorial agreements to **drive engagement** and higher royalty rates
- **Support partners** to increase their effectiveness and commitment
- Retain **stack manufacture in-house** to protect core IP

## North America

- **Take advantage of strong government support, both grants and statutory incentives, for individual projects**
- **Statutory Incentives**
  - Support domestic U.S. content requirements for projects to qualify under IRA
- **Grants**
  - Co-apply for government grants from DOE, CEC, with customers
  - Won to date: Elemental Energy – 8.4 MWh, Indian Energy – 10 MWh, PNNL – 12 MWh, NRCO – 72 MWh
- **Manufacturing**
  - Leverage partnership model, government support for U.S. production

## UK

- **Influence and adapt to market-focused regulation**
- **Contribute to emerging regulation on LDES (Success: Cap and Floor)**
- **Use government investment both on- and off-balance sheet to enhance market engagement**
  - Invest alongside customers to enhance customer project returns (UKIB funded)
  - Use available government grants (DESNZ – LODES)
- **Domestic manufacturing to optimise logistics, provide template for rest of world**



# Strategic Partners

			DESCRIPTION	STRATEGIC INTEREST
NEW		£25m	Provides infrastructure finance to tackle climate change and UK economic growth.	Support UK LDES projects utilising Invinity technology. Has right to appoint director.
NEW	<b>Korea Investment Partners Co., Ltd.</b>	£3m	Asia's Leading Venture Capital and Equity House.	Long-term follower of Company, supporter of Company's activities in Korea.
Existing Partners		Korea Reseller	Large South Korean manufacturer of high-voltage electrical equipment.	Invinity's reseller in Korea with interest in deeper collaboration.
		Invest - Previous	Taiwan-based. Focuses on various areas in energy.	Invinity's exclusive reseller in Taiwan, shareholder, manufacturing licensee.
		Invest - Mistral	Subsidiary of Siemens Gamesa: designs and manufactures electrical equipment.	Invinity's development and commercialization partner for Mistral.
		Invest - Previous	China-based, large manufacturer of renewable energy products.	Invinity's contract manufacturing partner and shareholder.

## Achieve net cash generation and net profitability in the next 2 years

### Drive cost of storage down



Mistral forecast to reduce LCOS from VS3 by 46% at launch.

### Improve cash profile of a sale



Target deposits and progress payments to fund supply-chain payables.

### Drive margins up



Reduced manufacturing cost allows Invinity to target larger gross margins.

### Utilise working capital facilities



Facilities would remove sales driven cash variability.

### Drive sales up



Near-term focus on closing the Advanced pipeline, largely through Mistral sales.

### Reduce operational costs



Manage down OpEx as a percentage of revenue as the business scales.

## Transaction

- Raising **£56m** through an oversubscribed subscription and conditional placing
- **Open offer** available to existing shareholders

## Rationale

- Transaction will take the Company to **net cash generation**
- Facilitates the launch of the higher-margin **Mistral** battery in second half 2024
- Clear **commercial traction** in strategy of direct engagement in core markets and capital-light licence and royalty model in RoW
- Growing pipeline of **over 6 GWh** provides external validation of demand and product-market fit
- Exponential growth in LDES deployment underlines the **scale of opportunity** in front of Invinity

We believe we have the **best product**, utilising the **best technology** to take advantage of the **vast LDES market opportunity** and to **fundamentally change the energy market** by bringing the cost of clean energy below the cost of fossil fuels.

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