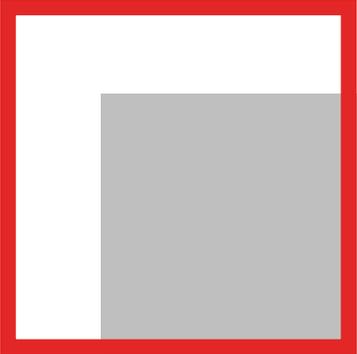




# Half Year Results

September 2020

# Agenda

- 
- 1** Strategic Update
  - 2** Product Update
  - 3** Current Trading
  - 4** Half Year 2020 Financials

# Presenters



**Larry Zulch**  
CEO

- Over 25 years as CEO of investor-backed technology businesses
- Focus on directing companies transitioning from development stage to commercialisation
- Worked on first solar thermal micro-utility / PPA in 1980s in California
- CEO of Dantz, acquired by EMC (Dell EMC)
- CEO of Savvius, acquired by LiveAction (Insight Venture Partners)



**Matt Harper**  
Chief Commercial  
Officer

- Avalon Battery founder
- Responsible for sales, business development, marketing, and field engagement
- 20 years in flow battery & fuel cell industry with strong technical and product background
- Senior positions at VRB Power Systems and Prudent Energy
- Masters from MIT



**Peter Dixon-Clarke**  
Chief Financial Officer

- Deloitte trained chartered accountant
- 30 years experience in financial services and energy
- CFO of both AIM & fully-listed companies, including Rockhopper, Kuwait Energy, Hotspur Geothermal
- First CFO of national charity, Help for Heroes

Shifting to renewable energy requires energy storage.

Lithium will not meet all future energy storage needs.

Invinity delivers the flow battery alternative.

**Invinity's goal is simple: 10% of the global energy storage market by 2030.**

# 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

## **Advance Commercial Opportunities**

- Significant deal flow requires tight focus on most promising deals
- Lengthy, resource-intensive process

## **Deliver on Signed Deals**

- Manufacturing excellence
- Support and delivery engagement and partnerships

## **Pathway to Profitability**

# Invinity Accomplishments (First Six Months)

March 2020	<b>Merge</b> two development-stage leaders in vanadium flow batteries during a global pandemic.
April 2020	<b>List</b> Invinity on the London Stock Exchange (AIM:IES)
May 2020	<b>Launch</b> Invinity brand and market presence.
June 2020	<b>Announce</b> signed orders for 1.7 MWh from commercial activities post merger.
July 2020	<b>Begin</b> final assembly manufacture of VS3 for Energy Superhub Oxford project.
August 2020	<b>Achieve</b> internal milestones for integration process.
Sept 2020	<b>Disclose</b> first merged financials as one company.

# Product Update and Current Trading



# Invinity Flow Battery Value Proposition

## **Longer Duration**

Optimized for requirements of 3 to 10 hours.

## **More Durable**

No degradation from heavy cycling; 25-year lifetime

## **Safer**

Non-flammable; no risk of thermal runaway

## **Compelling Economics**

Superior levelized cost of storage (LCOS)

## **Sustainable Materials**

No conflict minerals; major components easily recyclable

## **Factory Built**

Standardized product drives price down and quality up

# Invinity's Battery Product

## *Invinity VS3*

	Battery	Project
Rated Power, Continuous:	78 kW	Up to 10 MW
Energy Storage, Nominal:	220 kWh	Up to 24 MWh
Energy Storage, Duration:	2 – 12 hours	
Form Factor:	20' container size, handling	
Lifetime:	25 years	
Recommended depth of Discharge:	100%	
Cycle Life:	Unlimited	



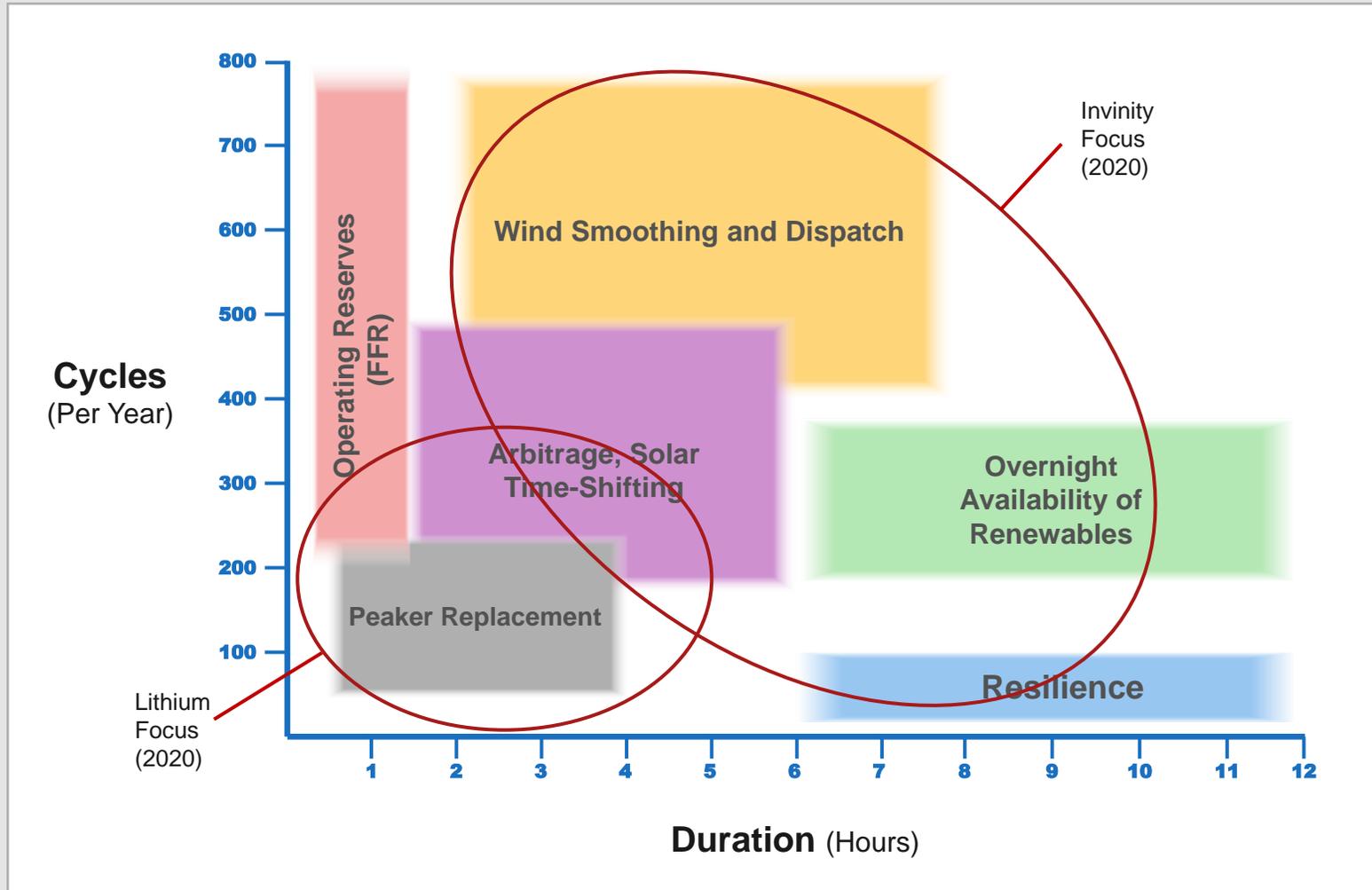
Rather than typical flow battery custom production, Invinity's flow batteries are mass produced in a dedicated factory.

*Invinity's dedicated facility  
in Suzhou, China*



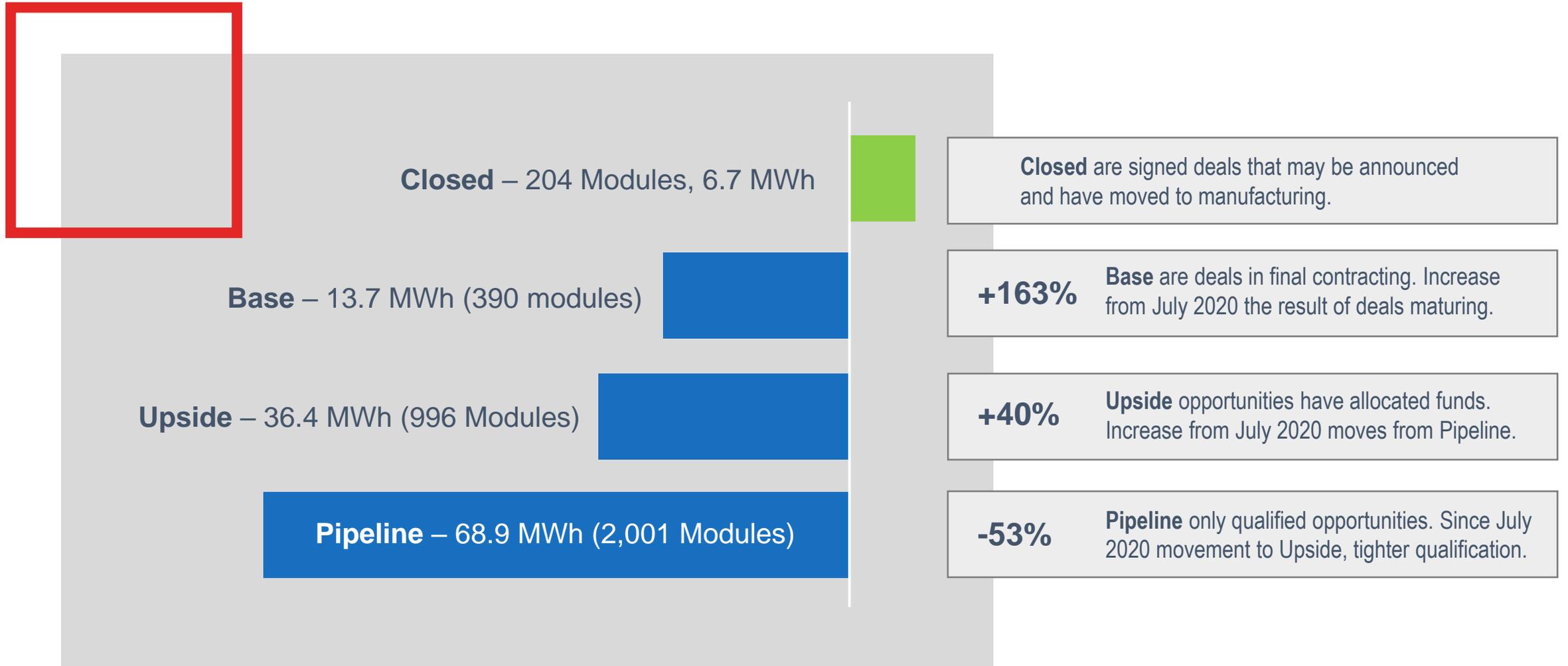
# California Strategy Example

## Notes



- 1) Governor Newsom (Aug 2020) “our capacity on **storage in particular** ... substantially needs to be improved.”
- 2) Where lithium focuses is the largest market segment, but that is **changing**.
- 3) Increased adoption of renewable energy is pushing the center of the market **up and to the right**.
- 4) **California Energy Commission** (March 2020) “Solicitation for demonstration of non-lithium energy storage for 10 hours or longer.” (\$20 million awarded.)
- 5) Markets develop when products are **available**; before Invinity, credible long-duration, heavy-cycle batteries were not commercially viable.
- 6) California is showing a **probable future** for every market moving toward renewable energy.

# Sales Pipeline by Deal Stage

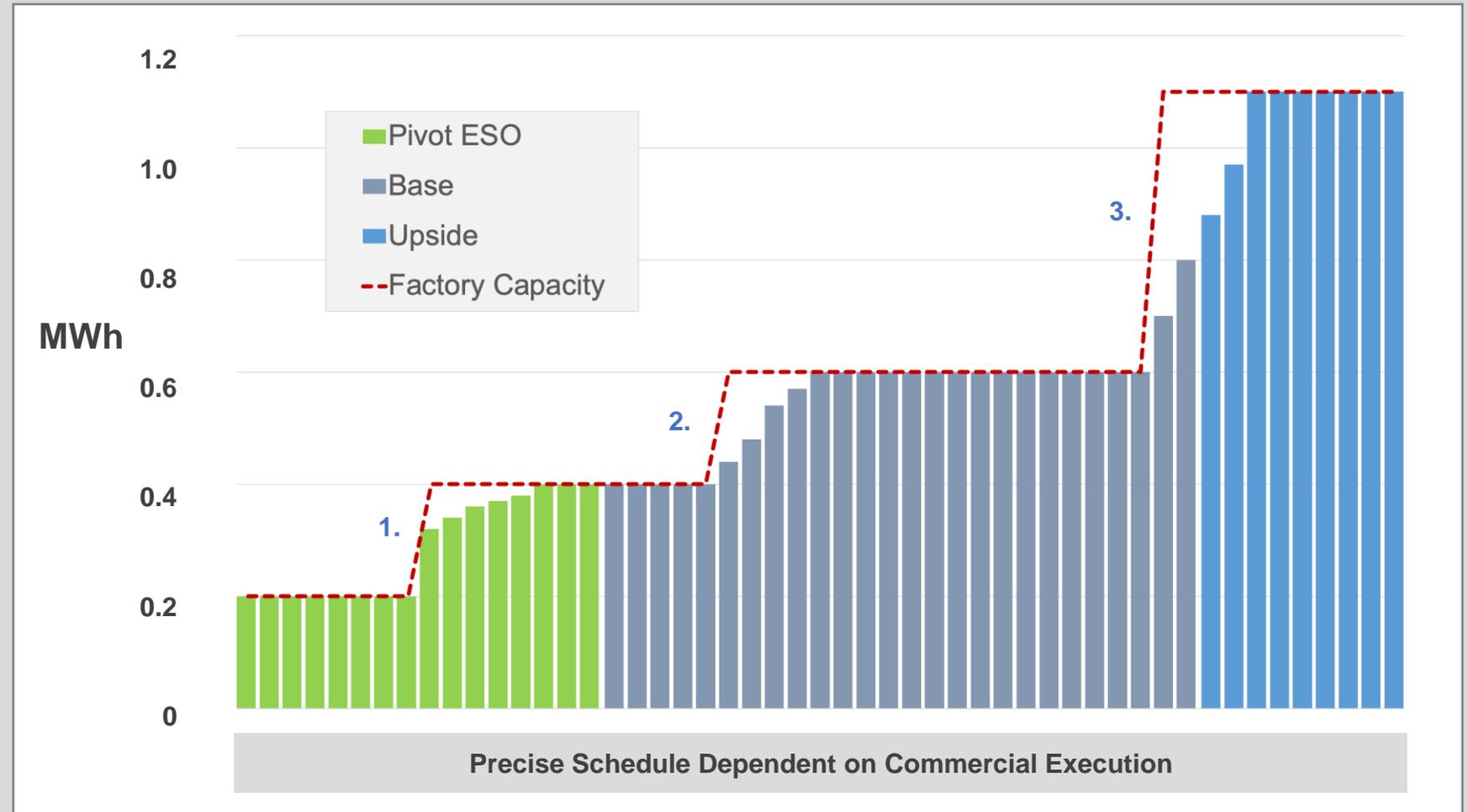


# Manufacturing Capacity Utilisation

Invinity's current deals in Base and Upside are sufficient to support plans to ramp up manufacturing capacity in line with future demand

## Manufacturing ramps:

1. Second shift
2. Suzhou process optimization
3. Second stack line





## Grid-connected hybrid (flow plus lithium) project

- 2MW / 5MWh flow battery system
- Fulfilled with 27 Invinity VS3 batteries (162 modules)
- Developed by EDF's Pivot Power
- ~45 sites across the UK

## Consortium Partners



# Energy Superhub Oxford

## Progress towards project completion

- Civils and site preparation work in progress at Cowley site
- Major sub-assemblies now inbound to Bathgate for final integration
- Delivery phase to commence by year-end, with commissioning phase to take place in early 2021



# Half Year 2020 Financial Results



# Highlights

- Revenue **£0.3m** (H1 2019 £0.2m)
- Operating loss, including £1m of merger transaction costs, from continuing operations **£5.0m** (H1 2019 £3.9m)
- Half year end free cash **£4.5m** (31 December 2019 £1.2m)
- Net Assets **£38.7m** (31 December 2019 £12.6m)
- Borrowings **£0.1m** (31 December 2019 £1.1m) before 1 July 2020 £1.0m RiverFort debt facility drawdown
- Current cash **£2.9m**, current debt £0.9m and £2.0m still available under facility

# Balance Sheet

Balance sheet	At 30.06.2020	At 31.12.19	Movement
	£'m	£'m	£'m
Non-current assets	36.7	13.1	23.6
Current assets (ex. cash)	2.0	1.1	0.9
Cash	4.5	1.2	3.3
Current liabilities	(3.8)	(2.9)	(0.9)
Non-current liabilities	(0.7)	0.0	(0.7)
	38.7	12.5	26.2
Equity	138.5	109.2	29.3
Reserves	(99.8)	(96.7)	(3.1)
	38.7	12.5	26.2

# Non-Current Assets

<b>Non-current assets</b>	<b>£'m</b>
Opening position	13.1
Fair value of merger consideration	22.3
Net liabilities acquired	4.0
Bushveld loan discharged	(5.0)
Rate of exchange	2.3
	<hr/>
	36.7

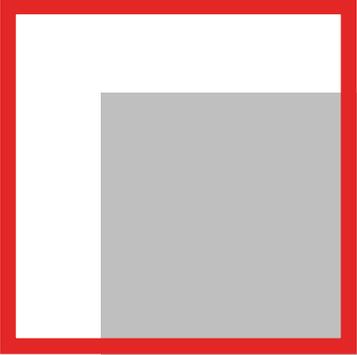
# Cashflow

Cash	£'m
Opening position	1.2
Net proceeds from fundraising	7.4
Cash acquired from merger	1.3
Proceeds from pre-merger Avalon loan	0.8
Other investing & financing activities	(0.2)
Adjusted loss for the period	(4.3)
Working capital adjustment	(1.7)
	4.5

# Equity

<b>Equity</b>	<b>£'m</b>
Opening position	109.2
Placing & open offer, net of transaction costs	7.4
Acquisition of Avalon share capital & voting equity	18.2
Discharge of Bushveld loan	3.2
Issued in lieu of services provided	0.5
	<hr/>
	138.5

# Summary

- 
- 1** Successful merger
  - 2** COVID-19 navigated
  - 3** Commercial contracts imminent
  - 4** Production capacity ramp
  - 5** Market outlook never stronger

# Questions





# Electrolyte Rental

## Advantages

- Up-front capital cost reduced by approximately 30%
- Decreased total cost of ownership
- Ongoing commitment to VFB performance

## Rental Structure

- High residual value at end of life eliminates depreciation
- Rental (not lease) payments relate to carrying cost of asset only
- Processing and logistics paid up front

## Requirements

- Project 4 MWh or larger
- Credit-worthy counterparty

## Project Experience



# Demonstrated Durability

Negligible capacity degradation over equivalent of 30 years in customer's test.

Outdoor Temperature  
Variations  
0 to 45 °C max

5 to 32 °C average  
Per 12 hr cycle

