



11 November 2013

Flowgroup plc
(the "Company")

National Grid Framework Agreement win

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy products, announces that Flow Battery, the Company's award-winning compressed air battery technology business, has been awarded a three year framework agreement by National Grid UK, to replace conventional lead-acid backup power units as they reach the end of their service life.

The framework agreement is for an initial three year period which can be extended by up to two additional years. There are 303 National Grid substations in England and Wales, which incorporate 3,200 backup power battery systems.

Flow Battery's compressed air backup power technology received type approval from National Grid in October 2011. Subsequently, Flow Battery tendered to be included in National Grid's battery replacement framework. The framework agreement was awarded to Flow Battery after a competitive tender process where all aspects of Flow Battery's business and service provision were considered. The win was based on the strength of Flow Battery's technology and proposition, with Flow Battery's tender bid receiving an overall score of 83%, the highest score awarded, which included a 90% weighted score in the Technical category and a 100% weighted score in the Innovation category.

James Derby, General Manager of Flow Battery, said: *"National Grid's decision to award Flow Battery this framework agreement came after exhaustive evaluation of our products against conventional standby solutions, giving us impressive marks for technical performance and innovation and acknowledging significantly lower whole life costs and environmental impact. This is a compelling endorsement of our technology that we will leverage as we target additional opportunities, with other Grids worldwide, as well as with other large and rapidly growing key markets such as data centres."*

Tony Stiff, Group CEO, added: *"I'd like to congratulate the Flow Battery team for their hard work, both in continuing to develop this exciting technology and in winning this framework agreement. The high scores that we achieved will allow us to compete with other framework suppliers with confidence. With 3,200 battery systems across 303 National Grid substations, this contract has the potential to provide a strong revenue stream for the Group over the coming years."*

Flow Battery's compressed air batteries produce electrical power on demand, using a store of compressed air to drive a scroll generator. They require low levels of maintenance, do not lose performance over time and are highly tolerant of extreme outdoor environments. Flow Battery units already installed at six National Grid substations in the UK and USA have performed with 100% reliability and zero maintenance for the last four years.

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About Flow Battery - www.flowbattery.co.uk

Based in Capenhurst, UK, Flow Battery was previously called Pnu Power until it was re-branded as part of the Flow Group in August 2013. The company provides battery-free backup power products which can ensure an uninterruptible power supply for critical systems, particularly for the telecoms, data centre and power transmission markets. Flow Battery's range includes units from 3kVA to 1MVA+, to meet the demand of the rapidly growing green data centre and extended runtime markets, by providing a low carbon alternative to batteries and flywheels.