REDGRID

REDGRID INTERNET OF ENERGY ENTERPRISES PTY LTD

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REDGRID

REPLACEMENT CROWD-SOURCED FUNDING OFFER DOCUMENT

Dated: 26th August 2019

This is a replacement offer document that replaces the CSF offer document dated 8th August 2019. Minor information changes on page 20 are the only changes that are made for this replacement offer document.

Offer of fully-paid ordinary shares in RedGrid Internet of Energy Enterprises Pty Ltd (RedGrid) at $1.00 per share to raise a maximum of $825,000

1. This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in RedGrid Internet of Energy Enterprises Pty Ltd (RedGrid). This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer	ACN 626 675 027 RedGrid Internet of Energy Enterprises Pty Ltd
Intermediary	Birchal Financial Services Pty Ltd AFSL 502618

SECTION 1

RISK WARNING

SECTION 1: RISK WARNING

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Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly, or at all, if you need the money or decide that this investment is not right for you.

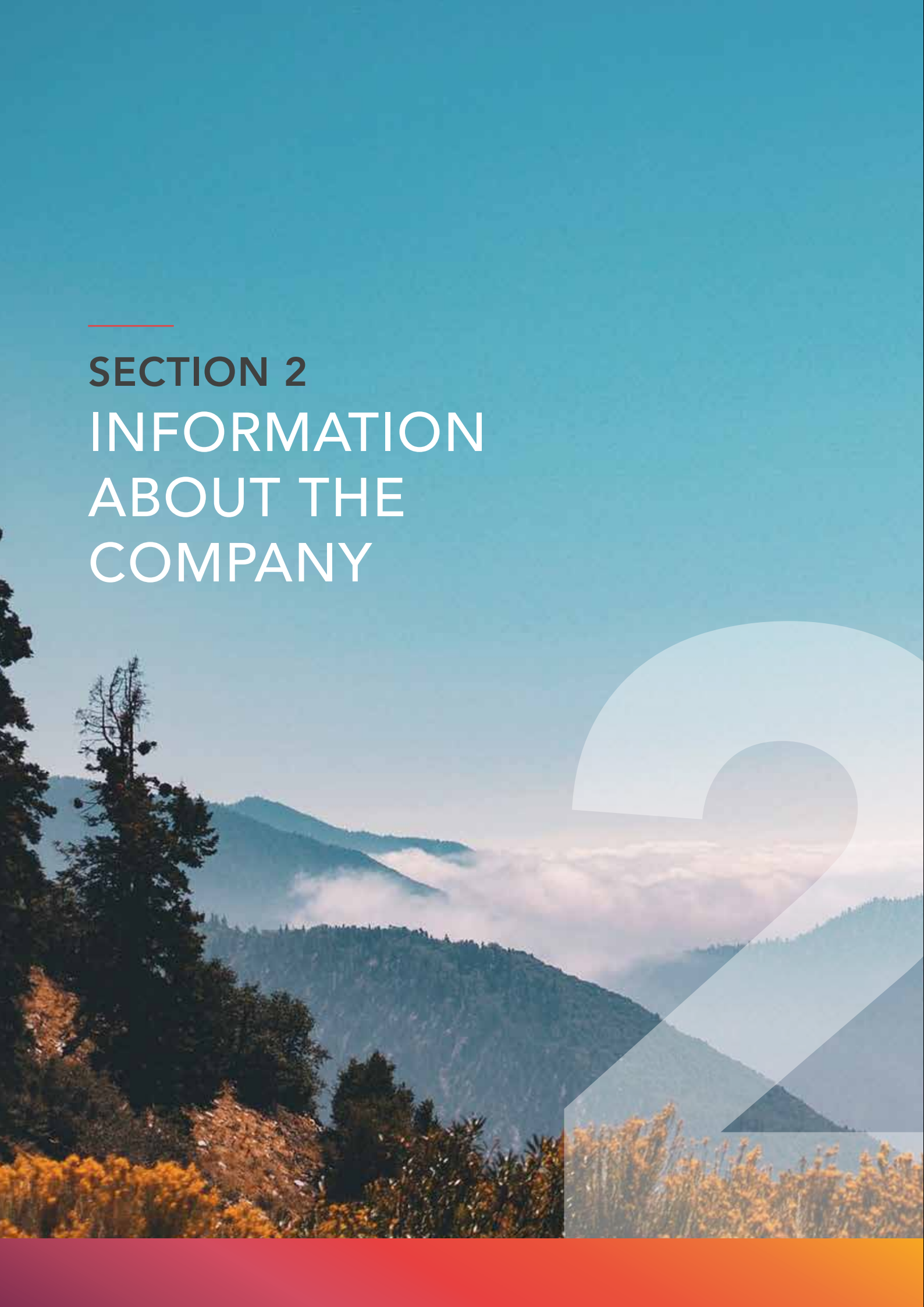
Even though there are remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

GLOSSARY

AEMO	*Australian Electricity Market Operator (manages the National Electricity Market and the Victorian gas transmission network)*
ARENA	*Australian Renewable Energy Agency (an independent agency of the Austalian federal government with the objective of increasing supply and competitiveness of Australian renewable energy sources)*
CSF	*Crowdsource Funding (Crowd-sourced funding is a financial service where start-ups and small businesses raise funds, generally from a large number of investors that invest small amounts of money)*
DERs	*Distributed Energy Resources (small-scale units of local generation connected to the grid at distribution level)*
DLT	*Distributed Ledger Technology (distributed ledger technology is a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries, or institutions. There is no central administrator or centralized data storage)*
DNSPs	*Distribution Network Service Providers (distribution networks that supply electricity to end use customers)*
ESOP	*Employee Stock Ownership Plan (Employee stock ownership, or employee share ownership, is an ownership interest in a company held by the company's workforce)*
EV	*Electric Vehicle (vehicles that run entirely on electricity as opposed to fossil fuels)*
ICO	*Initial Coin Offering (An initial coin offering or initial currency offering is a type of funding using cryptocurrencies)*
IEO	*Initial Exchange Offering (An Initial Exchange Offering, commonly referred to as an IEO, is a fundraising event that is administered by an exchange)*
IoE	*Internet of Energy (the communications protocol that enables energy devices to communicate and orchestrate)*
IoEP	*The Internet of Energy Protocol, a not-for-profit organisation to promote the IoE*
IoT	*Internet of Things (The Internet of things is the extension of Internet connectivity into physical devices and everyday objects)*
M2M	*Machine-to-machine communication (Machine to machine refers to direct communication between devices using any communications channel, including wired and wireless)*
OEM	*Original Equipment Manufacturer (An original equipment manufacturer is a company that produces parts and equipment that may be marketed by another manufacturer)*
P2P	*Peer-to-peer networks (Peer-to-peer computing or networking is a distributed application architecture that partitions tasks or workloads between peers)*
RG	*RedGrid (RedGrid is building the Internet of Energy, to turn your energy devices into a distributed network of brains that collectively create a cleaner, more efficient energy grid.)*
UN	*United Nations (intergovernmental organization tasked with maintaining international peace and security, developing friendly relations among nations, achieving international cooperation, and being a centre for harmonizing the actions of nations)*



SECTION 2

INFORMATION ABOUT THE COMPANY

Letter from the Founders

At RedGrid we are passionate that we can tackle and address climate change effectively using new technology within the energy ecosystem. Achieving this requires a brand new model, structure, and architecture. The future of energy is decentralized and its intelligence is distributed.

There is no doubt about this shift. We are seeing it occur already with the rapid community adoption of smart energy solutions like solar, batteries, and efficient appliances. But this transformation is playing havoc with our existing systems that have been designed, built, and implemented using architectures that are concentrated and centralized.

The result is an electrical system unable to cope, and as transformation accelerates, this is getting worse: increasing instability and electricity blackouts in Australia and around the world.

At RedGrid we propose a new open energy solution that we call the 'Internet of Energy'. The Internet of Energy (or IoE) is an Open Source protocol that provides a common language for any and all energy devices. It aims to be free to the market for anyone to implement, adopt, and use, in the same way the Internet's open standard protocols have provided immeasurable benefits.

The Internet of Energy aims to allow any connected energy device to communicate, organize, adapt, and adjust its behaviour with an awareness of the broader energy system, and the device's surroundings.

RedGrid are the stewards of the Internet of Energy protocol. We are a for-profit organization that is leading the charge in providing the products, services, and value around this new global Internet of Energy ecosystem and communications standard.

In just over twelve months of operation, our company has signed revenue generating projects as well as partnerships and collaborations with some of the biggest brands in Australia and the world.

Our passion and mission is to fix a broken energy system through awareness, open communication, and intelligence at the edge and, in doing so, accelerate transformation to a clean, sustainable energy future from the bottom up. We are humbled by the community interest in supporting us on this mission and we hope to have you as a partner on this journey.

With thanks – The Redgrid team

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Company Details

This offer of shares is made by RedGrid Internet of Energy Enterprises Pty Ltd ACN 626 675 027 (the Company). Company was incorporated on 7th June 2018.

Company Name	RedGrid Internet of Energy Enterprises Pty Ltd
ACN	626 675 027
Offer Type	Crowd-sourced funding
Offer Date	8 August 2019
Offer Details	Offer of fully-paid ordinary shares in RedGrid Internet of Energy Enterprises Pty Ltd at $1.00 AUD per share to raise a maximum of $825,000.
Registered office and contact details	RedGrid, YBF, 520 Bourke Street, Melbourne, 3000, VIC
Principal place of business	RedGrid, YBF, 520 Bourke Street, Melbourne, 3000, VIC
Related Companies	20% of RedGrid is owned by the sister company RUBIX Consulting through their Founder.

Description of the Business

Who we are

RedGrid has a bold ambition to tackle issues of climate change around the globe by changing people's relationship with energy.

Founded in Melbourne, RedGrid delivers intelligent energy grid services to enable automated, distributed, adaptive load shifting and demand management. RedGrid has achieved strong market interest, partnerships and validation of our vision with Australian and international partners.

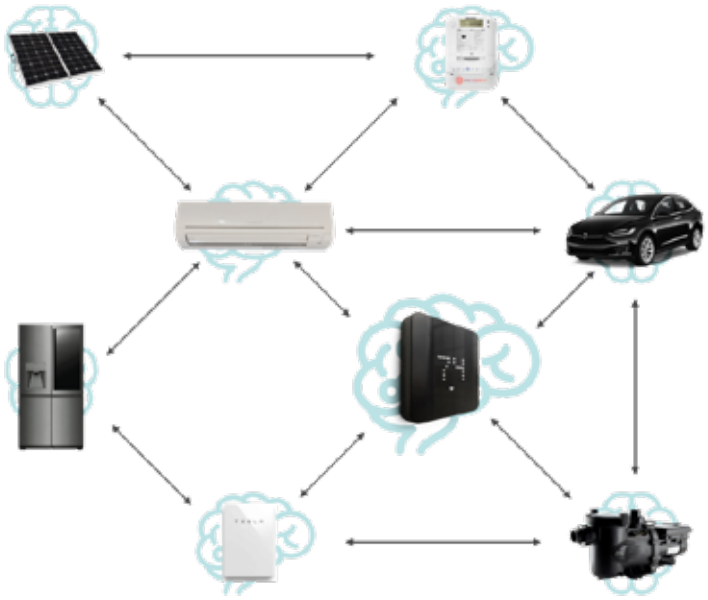
We have embarked on projects with UN-award winners, SOLshare, and the Monash University Net Zero project. We are collaborating as the clean energy impact partner of the nationally-acclaimed 2040 film. This is in addition to the pilot projects that we are running with Energy Australia and Spotless (part of Downer Group).

By investing in RedGrid, you, as an investor, are at the ground floor of a whole new ecosystem of energy grid optimization, as well as applications and spin offs as our technology is applied to other sectors.

What we do

RedGrid's software aims to enable existing energy devices to talk to each other, understand energy supply and demand locally and on the grid, and respond to save money, optimize energy use, balance the grid, and maximize the value of renewable energy sources.

Our future products and services aim to add intelligence to your energy devices, to make local decisions that reduce energy waste, adjust to external market signals, and generate value for users; for example, by reducing usage during peak network demand events in a way that does not impact user comfort. Collectively the devices act in the best interest of the owner, the suburb, the facility, and the community.



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Why Now? - *The Transformation of the Electricity Grid is Coming*

We believe that the transformation of the electricity industry is the biggest industry-wide transformation the world will see in the next decade. Energy retailers are facing increasingly squeezed business models and intense competition; consumers and government are demanding better servicing and transparency; and distribution network service providers (DNSPs; the companies responsible for the poles and wires of electrical distribution) are facing challenges including increased grid volatility from distributed energy resources (DERs), and increased peak, demand, and network upgrades. But they also see opportunities in terms of providing augmented network services to customers.

Australia has the highest percentage of residential rooftop solar per capita in the world (~25%).[2] But people and communities cannot capitalize because the grid is not set up to deal with these resources effectively. Feed-in tariffs[3] have been implemented, but their value typically goes to the retailer at only a third of the value that customers purchase the same amount of energy.

We now have more distributed energy resources (DERs) on the grid and more connected devices than ever before. Integrating variable loads from renewables pose potentially serious problems in grid stability and management, and much of the value of DERs is currently left on the table because of technical, behavioural, and regulatory barriers. DERs are structurally equipped to meet demand with timely response, but they are not smart enough and lack the awareness to enable positive overall network effects.

Opportunities for managing the demand and supply on grid in a decentralized way exist to help balance out electricity use (time of day, etc.) to enable more effective renewable integration. However behind-the-meter information is either 'invisible' to network players, or currently siloed with multiple vendors, each implementing their own approach without significant consideration or the ability to leverage value from cross platform integration.

Current Regulatory Trends:

Household energy bills are rising: The average electricity bill in Australia has gone up by 20% in the last four years, and the beginning of 2019 saw record-breaking price highs for energy in the wholesale market.[4] Between 7 and 16% of people in Australia are at risk of defaulting on their energy bill.[5] This means one in ten of us is in danger of falling into a downward spiral of energy poverty, or not being able to heat or cool our homes to stay comfortable. RedGrid's software helps households save money on their electricity bills whilst maintaining comfort in their homes. In July 2021, the energy system in Australia will move to five minute settlements. This means increasing amounts of data, the need for faster responses to market signals, and the opportunity to respond quickly to demand signals (the old rules favoured slowresponding and clunky generators over fast modern technology to respond to demand swings). We believe that RedGrid is uniquely positioned to take advantage of this rule change and provide a private, secure, and scalable solution to demand management.

2. http://apvi.org.au/wp-content/uploads/2018/12/Solar-Trends-Report-for-Solar-Citizens-FINAL_11-12-18_2_logos.pdf
3. a payment made to households or businesses generating their own electricity proportional to the amount of power generated
4. https://www.aemo.com.au/-/media/Files/Media_Centre/2019/QED-Q1-2019.pdf
5. https://www.aemo.com.au/-/media/Files/Electricity/NEM/5MS/Program-Information/2018/5MS-factsheet.pdf

In July 2019, the Australian Electricity Market Operator (AEMO) created historical rule change enabling organisations other than retailers to offer demand response opportunities for customers. AEMO noted that:

> *"Supply in terms of new technology which now makes the proposed changes not only possible, but relatively uncomplicated - and demand in terms of growing numbers of large consumers indicating their desire to participate.*
>
> *We expect both these trends to grow over the next several years to the point where a true two-sided market – one in which consumer demand interacts directly with supply to set real-time prices – is possible.*
>
> *Technology isn't there yet, but it won't be long before households and businesses may be able to use digitally enabled devices to optimise consumption on all of their appliances.*
>
> *This would allow thousands of very small changes in consumption to be aggregated in a way that significantly reduces the amount of generation and networks required to maintain a reliable and secure system. Such a future could result in significantly lower prices for consumers."*[6]

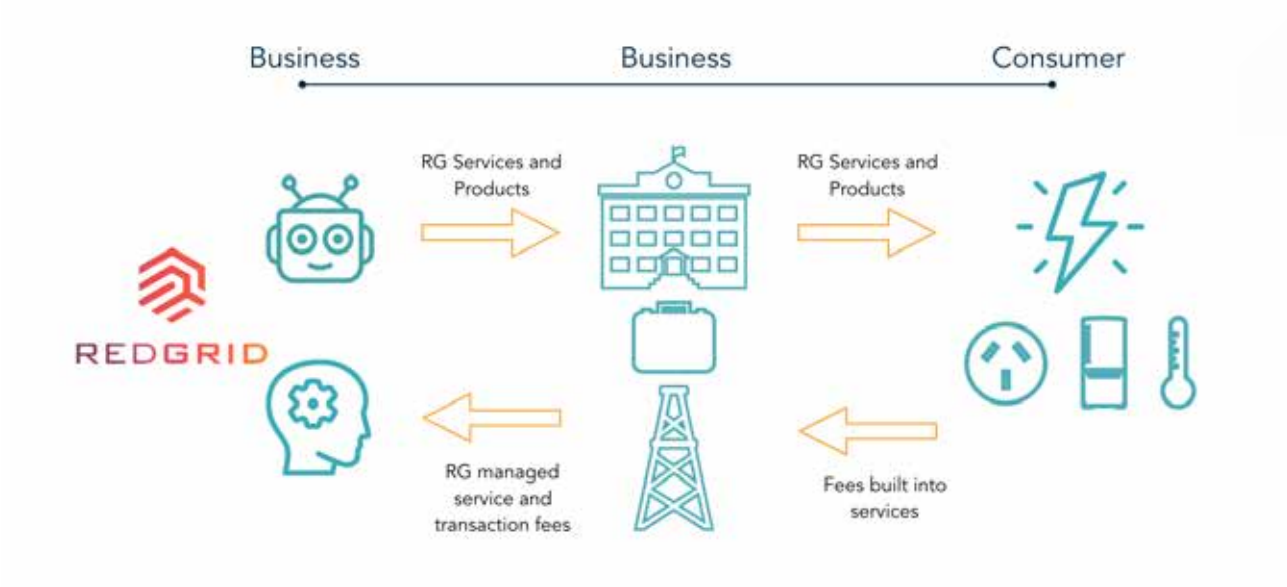
This rule change will come into effect in 2022. These changes all trend towards a more open, distributed, and customer-empowered energy system and grid. But to facilitate that change requires much more than just regulation. It requires a rethinking of the technology and connectivity that underpins the system. This is what RedGrid aims to address with its technology.

What we need is:

A distributed intelligent system that enables adaptive load management for energy production and consumption to provide network and energy participant benefits

6. https://www.aemc.gov.au/news-centre/media-releases/leveraging-power-demand-help-reduce-wholesale-power-prices?utm_source=Social&utm_medium=Twitter&utm_campaign=DRM

The RedGrid business model and value proposition



Our target customers are other businesses that provide services to people that influence their electricity use. Our targets include: property developers and managers, community groups investing in clean energy, large facilities like shopping centres or airports, energy retailers, and educational institutions.

We are developing a simple business model that drives recurring revenue to the company. Our principal products will be divided into three main categories, including:

1. RedGrid Software Services

We aim to provide software integration and managed service support for customers and devices to enable private, scalable, and secure energy device communications across devices, platforms, and locations. RedGrid will aim to provide the common language for Distributed Energy Resources in the new Energy Grid.

2. RedGrid Applications

Having a distributed group of devices able to communicate in a common language and become aware of one another gives us the opportunity to create new smart energy applications. RedGrid will aim to provide and manage some of these such applications. Our current software in development includes; an Adaptive Demand Management application, an Energy Market Router (EMR), and an IoE Insights Application for Corporate Energy Managers. All of these offerings take advantage of the ability to arrange and organize behaviour in a distributed group of energy devices.

3. RedGrid Currency Services and Virtual Mini-grid System

RedGrid's Internet of Energy Protocol will aim to include (see appendix) a native currency and reputation system for peer-to-peer transactive energy trading. RedGrid will aim to provide relevant on-ramp and off-ramp services that allow customers to turn that trading value, reputation, and 'currency' into real world value such as cash, energy, or other services. This is the RedGrid virtual mini-grid system that will aim to enable devices to connect to each other, coordinate their use, and enable people to be rewarded for their devices acting on behalf of the system.

These services are essentially our horizons of growth (see Business Strategy Section below). As we move from project-based revenue, to managed services for large customers, to the full development of currency services, we move from small-scale projects to full-scale virtual mini-grids.

Near-Term Addressable Markets

Universities and Campuses

- Revenue Baseline: ($40 per device per year)
    - The opportunity is equal to making each device more responsive to energy market price.
    - Our current pilot project with a major university has an annual subscription price of $40[7] per device per year for our demand management and energy manager solution.
- Market Size in Australia
    - There are 43[8] Universities in Australia & 9477 Schools.[9]
    - Based on the parameters of our current university project, we estimate average of 200 Energy Device (heating/cooling/and water pumping devices) per site that would integrate RedGrid software and participate in demand management.
    - We estimate there are ~1.9m devices (that include air conditioners, heaters, refrigerators) across this target market.
    - So, we estimate this total market opportunity to be approximately $76,160,000 per year.

7. based on value within the project proposal
8. https://en.wikipedia.org/wiki/List_of_universities_in_Australia
9. https://www.abs.gov.au/ausstats/abs@.nsf/mf/4221.0

Facilities Management Companies

- Revenue Baseline:
    - We can assume a similar revenue baseline as our current pilot project ($40 per device per year).
- Market Size in Australia:
    - There are 1753 Shopping Centres across Australia and 65,000 shops across them.[10]
    - We estimate the average small business having 3 Energy Device (heating/cooling/ and water pumping) that would integrate RedGrid software and participate in demand management.
    - We estimate there are about ~195,000 devices (air conditioners, heating, and refrigeration) in this market.
    - So we estimate a total market size of about $7,800,000 per year.

Case Study:
Adaptive Demand Management Application of RedGrid technology

Facilities Managers, Retailers, DNSPs, and Universities have long suffered from an inability to manage or even understand energy usage 'behind the meter' (i.e where and how energy is used by specific devices or appliances). This has caused major issues, particularly as smart energy systems rely on the ability to balance energy supply with energy demand to ensure stability.

To address this issue, retailers and DNSP's have been forced to build large hedging costs into contracts and over-spec infrastructure. From the perspective of an Energy or Facility Manager they have been 'flying blind' with little to no control over energy usage within their environments.

The RedGrid's system hopes to change the game for these entities, allowing them to have visibility and control over a portfolio of distributed energy devices. Our Artificial Intelligence supported Demand Management service aims to adjust energy consumption, production, and storage amongst a distributed group of devices in a way that is automated, customized for the environment, and does not compromise comfort.

Our initial modelling exercises show that by using this application, we can potentially achieve up to 40% energy cost savings against the spot price of energy simply by responding to the price and shifting electricity use accordingly. This can provide significant value for the energy consumer, retailers, and network providers and as we move to a more dynamic, competitive, and more 'empowered' energy market.

The scenario above is a common problem that is translatable to corporate energy managers, grid operators, and even individual energy consumers alike.

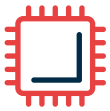
10. https://www.scca.org.au/industry-information/key-facts/

Redgrid Services

RedGrid aims to offer three principal services: demand management control, data streams, that improve energy efficiency, and machine-to-machine energy transactions.

Demand Management

- Automated Demand Response and Demand Management, integrates in both consumption and production devices
- Pays users for automatically shifting usage (through retail partnerships)
- AI mechanism learns usage patterns to maintain comfort



Data Streams

- Unlock new data streams on energy use within and between users
- Creates energy visibility for optimization opportunities and the exploration of new business models

Energy Transactions

- Enable machine-to-machine transactions
- Aims to enable greater returns for solar and storage owners

RedGrid's business intends to provide the following value-add services:

- Project Services - software integration services Energy Device Providers, community, and customer energy projects implementing IoE features.
- Managed Services - software support services to device makers and customers who are running IoE software and applications.
- Currency Services - 'on-ramp/off-ramp' and redemption facilities and capabilities for communities, projects, and customers leveraging the Internet of Energy's (see appendix) Currency / Transactional Energy capabilities. These enable value to be channeled to reward the end user and community directly where value can be redeemed as cash, local or remote services, and/or energy credits elsewhere in the Internet of Energy ecosystem.

RedGrid Products

We do not make our own hardware. Instead, we work with energy device manufacturers, large companies that run facilities (like shopping centres), and embedded network providers and institutions. These organizations have already undergone certification for their hardware and services.

Our business model is to connect devices by integrating our software into IoT devices that control existing hardware (such as air conditioners) and then enabling those devices to talk with each through the Internet of Energy Protocol (see appendix).

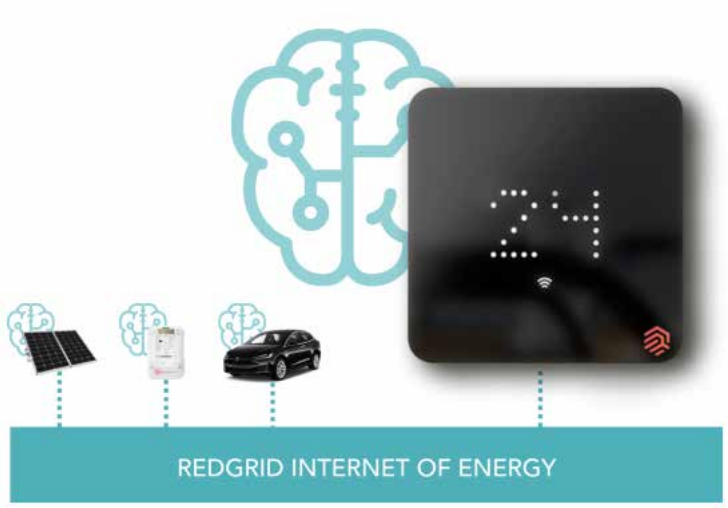
Our product development plan is aligned to our target markets: universities and facilities management, residential property developments, and the energy retail mass market

- **Applications:** RedGrid aims to provide an Adaptive Demand Management application that enables groups of distributed devices to organize and optimize their energy usage as a collective. We aim to use our AI capability to provide increasingly richer analytics and report generation. Additionally we aim to provide an IoE Insights App which enables energy managers visibility and monitoring of their distributed energy assets running the software. We aim to continually roll out new applications, such as an 'energy market router', and energy donation capabilities.

- **Air Conditioner Control powered by RedGrid:** With this product we aim to turn an old air conditioner with a remote control into a smart enabled and connected air conditioner with a brain. It can listen and respond to other devices nearby. This technology aims to respond to high demand, and with RedGrid's artificial intelligence learns your behaviour and understands how to act on your behalf.

- **Smart Plug powered by RedGrid:** our smart plug software integration aims to enable scheduling and energy monitoring, but more importantly, we aim to enable the plug to monitor external signals - such as the price of electricity, other demand on the grid that would like to purchase energy you do not need - and switch on or off automatically, making you money.

- **Original Equipment Manufacturer (OEM) integration:** in our Horizon 2 (see below) we intend to integrate into OEMs (i.e. the manufacturers of your air conditioners and other devices) so that your interaction with RedGrid is seamless.



Strategic Pillars and Key Differentiators

Consumers do not know what energy they are using in real time. RedGrid is hearing this repeatedly; despite clever algorithms to guess at appliances through power signatures, there is a gap of understanding 'behind the meter'. Retailers are trying to offer this, but it is not sufficient for customers to see real, tangible, electricity saving benefits.

We see a flourishing new industry to help home and facilities visualize and optimize their usage through insights and analytics. But only a few people want to spend their days in front of apps controlling their energy system in the house. Some of our competitors enable smart systems in the house, or connect households through their meters and exchange tokens. Both of these approaches miss the point: to create real value, **energy devices need to be able to talk directly to each other, with the intelligence to coordinate and save people money at the device level.** In other words, it needs to be machine-to-machine (M2M).

So, RedGrid is creating a collective of intelligent devices working on behalf of their owners to provide control, visibility, and energy cost reductions. These connect into a network – our current energy networks – to enable load shifting and automated demand management, and reduce peak demands. This aims to reduce household energy bills, improve the opportunity for community-led clean energy infrastructure, and help avoid expensive infrastructure upgrade costs (network costs can currently account for about 50% of electricity bills).

This is why we need RedGrid.

We see a flourishing new industry to help home and facilities visualize and optimize their usage through insights, analytics, and artificial intelligence

Our Partners: Marketing & Distribution

Although a young company, RedGrid already has a long list of heavyweight partners. So far we have secured clients including Monash University (specifically their Smart City Net Zero Initiative) and Energy Australia (specifically their Grid Transformation team). Currently we are charging project-based fees (time and materials), and our role in these projects is to

i) undertake strategic analysis of the market opportunity for orchestrated demand management and the role of distributed ledger technology, and

ii) (in the case of Monash) apply our DLT technology to a suite of energy assets across their operations.

The outputs of these projects we intend will be:

i) increased knowledge on how residential markets, large facilities, and smart cities can respond with orchestrated demand management;

ii) the application of our software directly into smart energy management systems.

We are also collaborating to develop proof of concept opportunities with facilities management companies, such as Spotless (part of the Downer Group). We are also collaborating with a large Australian telecommunications company on how energy data can be used to improve smart clean energy services for consumers.

We are in discussions with property developers, community groups, and owners' corporations across the country on implementing RedGrid technology.

Internationally, we collaborate closely with Holochain, a Protocol that is helping create digitally-backed assets that enable clean water, sustainable fisheries, organic food, and with RedGrid, clean energy. At the time of writing Holochain has a market cap of over $200 million,[11] and was awarded 'Blockchain Industry Disrupter of the year' at the Industry leading AI and Blockchain Industry Summit in Malta in May 2019. From a technical perspective, Holochain is a framework for building distributed apps. It is part of an emerging ecosystem of 'agent centric' Distributed Ledger Technology (DLT) architectures that we believe are superior to private and public 'data centric' blockchain solutions by any measure.

11. https://coinmarketcap.com/currencies/holo/ (1 - July - 2019)

RedGrid's 'Internet of Energy' platform is Holochain's leading Energy platform and project. Holochain has a strong Australian presence with three of its core developers living in or near Melbourne. Core members of Holochain have been involved with RedGrid for the last nine months, including in our work at the Australian Renewable Energy Agency (ARENA) A-Lab incubator.

The film 2040 (https://whatsyour2040.com/) showed how one of RedGrid's partners, SOLshare, creates value through community-driven minigrids in Bangladesh; RedGrid's virtual minigrids aim to bring this to Australia. RedGrid is incredibly proud to be partnered with 2040, and with our crowd equity investors, with the aim to bringing this vision to life in Australia. Our model is to partner with organizations who can provide value to their clients through our intelligent network: improved efficiency in use, automated demand management, and network services.

Our business model is ultimately to provide the open source platform for these assets to connect, to enable those assets to make savings through artificial intelligence based upon market signals. Our models have shown that we can reduce costs defer capital expenditure, and provide new revenue sources.

Universities & Facilities Management

Integration Services

- Integration Services for existing and new building management systems
- Application of Artificial Intelligence models
- Demand management control

Residential Property Developments (Embedded)

Pre-connecting developments

- Pre-connecting new builds to the Internet of Energy
- Integration of RedGrid software
- Enabling embedded mini-grids

Residential (Mass Market)

Household device integration

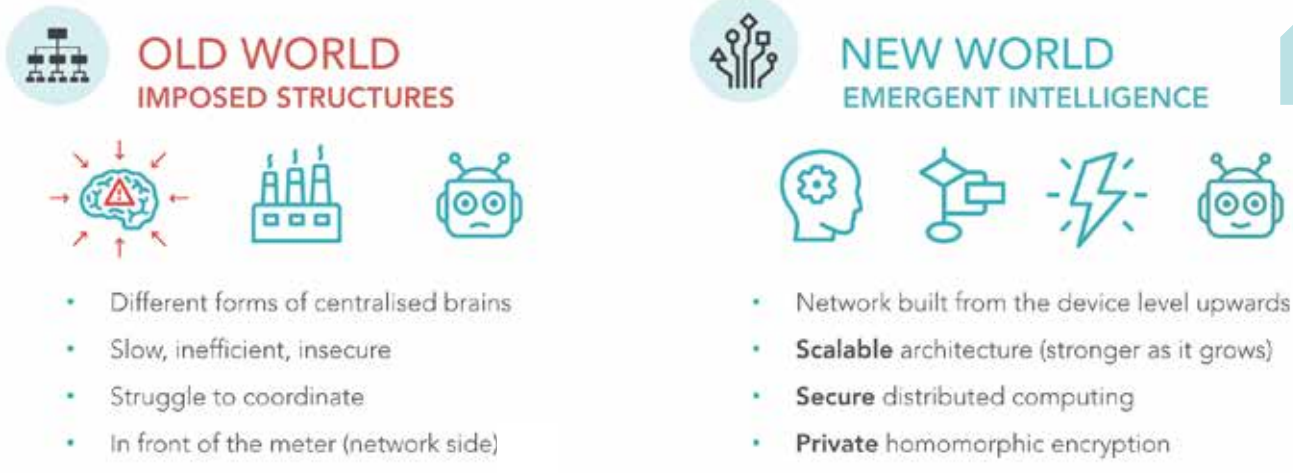
- Air Conditioner Control powered by RedGrid
- Smart Plug powered by RedGrid
- Pre-connected devices to the Internet of Energy
- Enabling virtual mini-grids

Market and Competitors

We can break our competition down into two categories:

1. **Traditional energy players** (largely fossil fuel companies), with a spectrum of complacent monopolies up to innovation labs.

2. **New entrants from the energy space** (energy management) and large corporations (e.g. Mitsubishi) increasing activity in the 'smart' energy sector.



Competitors

There are a number of companies that aim to enable a better understanding of how energy is used in households. These companies aim to assist people in understanding how they can track and reduce their energy use. Other players in the market aim to create a coordinated approach to managing energy supply and demand. Some also aim to help commercial and industrial facilities track and reduce their energy use.

Our model is different to these companies' approaches: we enable the connectivity between siloed systems through the Internet of Energy Protocol and we are hardware and IoT agnostic (we sell software, not hardware). We aim to be able to engage and work across brands meaning, for example, your Daikin air conditioner could talk to your Fischer and Paykel fridge, which could talk to your Onga pool pump.

Many competitors, however, still rely on centralized server architecture (like all non-distributed or edge-based computing), and as such it can be argued that these business may face significant scalability and potential security challenges as energy data management increases in volume and complexity. RedGrid's system based on Holochain is fully distributed meaning the intelligence is placed at the machine level, is secure through full encryption and, because no one machine holds all the information, has optimal resilience through completely distributed data. And, the system aims to be highly scalable because each device is an independent 'identity,' but with a common language.

In the way that different phone brands and networks talk to each other through a common language, we actually see these other competitors as being future collaborators and customers of RedGrid as we implement the common language for their communication in a whole-of-system approach.

What about Blockchain?

Ethereum is a popular blockchain platform, and specialized cryptocurrencies are built on top of it. RedGrid explored all of the major energy-relevant protocols, and used Ethereum and some other technologies in early energy value trading projects, but found significant challenges in their scalable use for energy:

- These platforms are "pay-to-play" by nature; an amount of "gas" is spent to record the transaction on the blockchain; Users need to purchase 'gas' up-front just to participate then more to use the platform before any value is derived;
- Given every 'node' must hold and agree on every transaction in these platforms, scaling has been a major issue. The common approach has been to split the one blockchain into sections by a technique called "sharding," but this is delaying the problem because these shards typically need further splitting as the system grows. This all results in a cumbersome, convoluted architecture that is not truly distributed or peer-to-peer;
- Blockchains reach consensus over seconds, by design. The new world of IoT must have subsecond reaction times, and, as such, they are not really applicable to IoT solutions.

Competitive advantage

We take a different approach and believe that, like the internet, the transactive layer and protocols for energy M2M communications must be open source and free to use. Applications on top can attract a fee but like the internet of information protocol layer, the new transactive energy solution be open source, device agnostic, royalty free, and truly distributed.

Our model differs from the market in this regard as we only capture value after it is created for our customers. In order to reach pervasive scale much like the internet of information, our underlying software and protocol for transactive energy must be open source.

Critically, for the smart energy and blockchain companies we see all of these competitors falling into 'old world' energy solutions: centralized databases that hold customers data (i.e. create honeypots for cyber attacks, and privacy issues, or proprietary underlying platforms (i.e. you have to 'pay-to-play') that are not well suited to the energy challenge. RedGrid is different to both: our underlying core protocol intends to be open source, with RedGrid making money from the value we bring to customers through our products in energy optimization that grows stronger as the network grows. We call this 'emergent intelligence': a system that takes the 'freemium' business model and distributed technology to the next level that encourages adoption and grows in strength as it builds.

Thanks to the 'post-Blockchain' agent-centric technology used in our platform we do not have to take the pay-to-play approach that others use. Those building on our platform only take value after it is created for the customer; this echoes the early internet communication protocols.

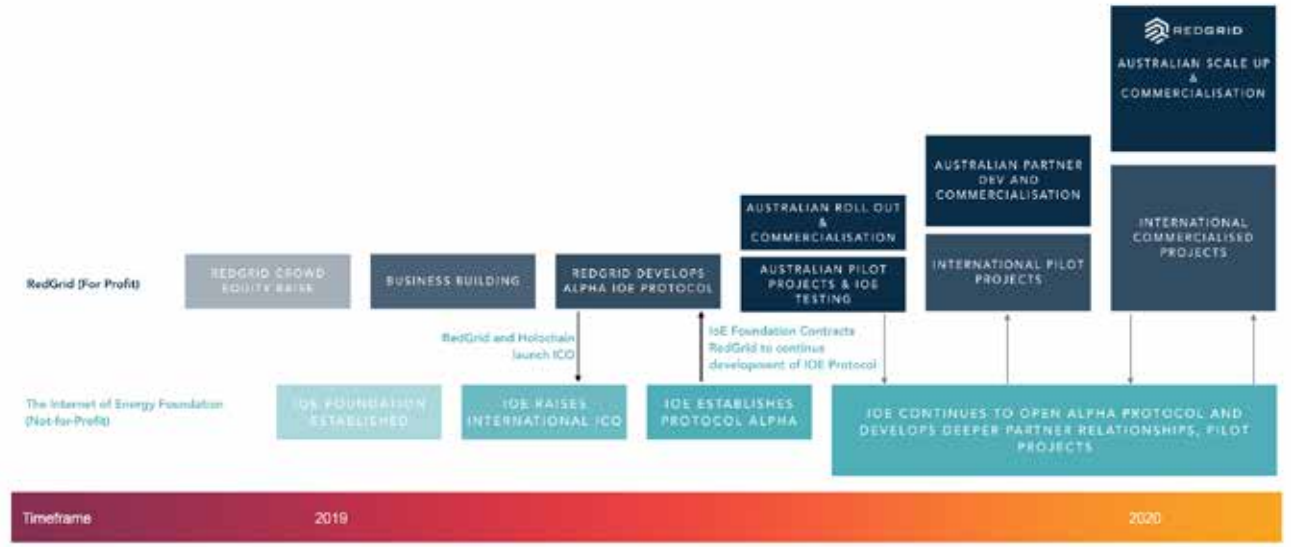
RedGrid's business model is focussed on assisting communities, their members, and society in Australia to accelerate their ability to become energy. sustainable, resilient, and efficient and to realize new economic value by becoming net clean energy producers meaning these communities can start obtaining local economic value from clean energy surplus.

Establishing The Internet of Energy Protocol

In direct collaboration with our partners, Holochain, RedGrid is establishing the Internet of Energy Protocol (IoEP), a not-for-profit entity that aims to enable the development of the open source protocol for the Internet of Energy. This entity will have an independent board, and will focus on the core protocol development, partnership establishment, and promotion of the open source protocol. RedGrid will work to position itself to have a unique advantage working with this protocol.

The IoEP and RedGrid will be closely linked, but not mutually dependent. In the beginning RedGrid will aim to set up the Protocol with our partners at Holochain, and using capital provided by the founders of Holochain (Arthur Brock and Eric Harris-Braun), RedGrid aim to establish an Initial Coin Offering (ICO) to raise funds to garner resources to obtain worldwide reach for Horizon 3 of our business strategy, and beyond. No shares can be owned in the IoEP because it is a not-for-profit entity, but investors can earn rewards through buying tokens in the IoEP ICO.

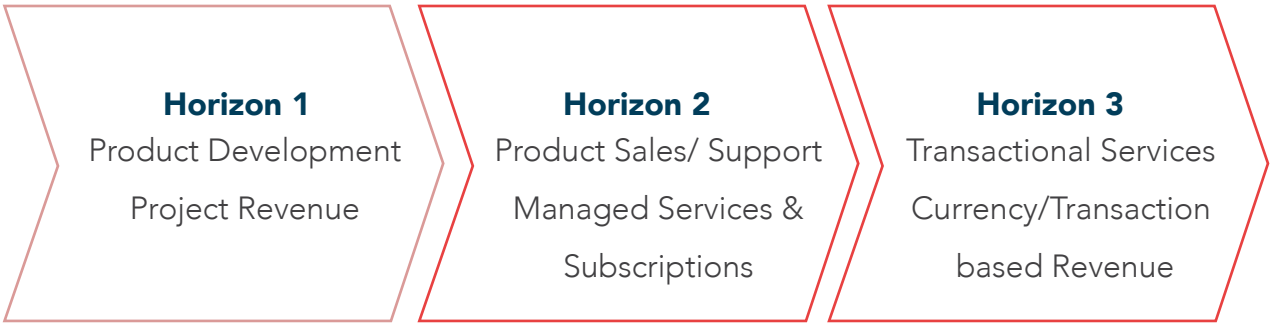
Note that investing in RedGrid does not necessitate investing in the IoEP, and investing in the IoEP does not necessitate investing in RedGrid. They are independent entities, but closely linked to bring the clean energy transactive revolution to the world. The indicative timeframe and relationship is highlighted below.



Business strategy - The phases in building the business

RedGrid's business model and approach is structured on an evolution through three strategic horizons. All attributes of the business including our revenue model have been designed around these horizons.

These strategic stages and their characteristics are outlined below and we are currently at the beginning of Horizon 1.



The business and financial strategy for RedGrid is to accelerate productization of our offerings and leverage global adoption of the IoE, building around it a business that is based on recurring revenue channels as soon as possible.

Our product, sales, and revenue focus has been defined to implement that strategy:

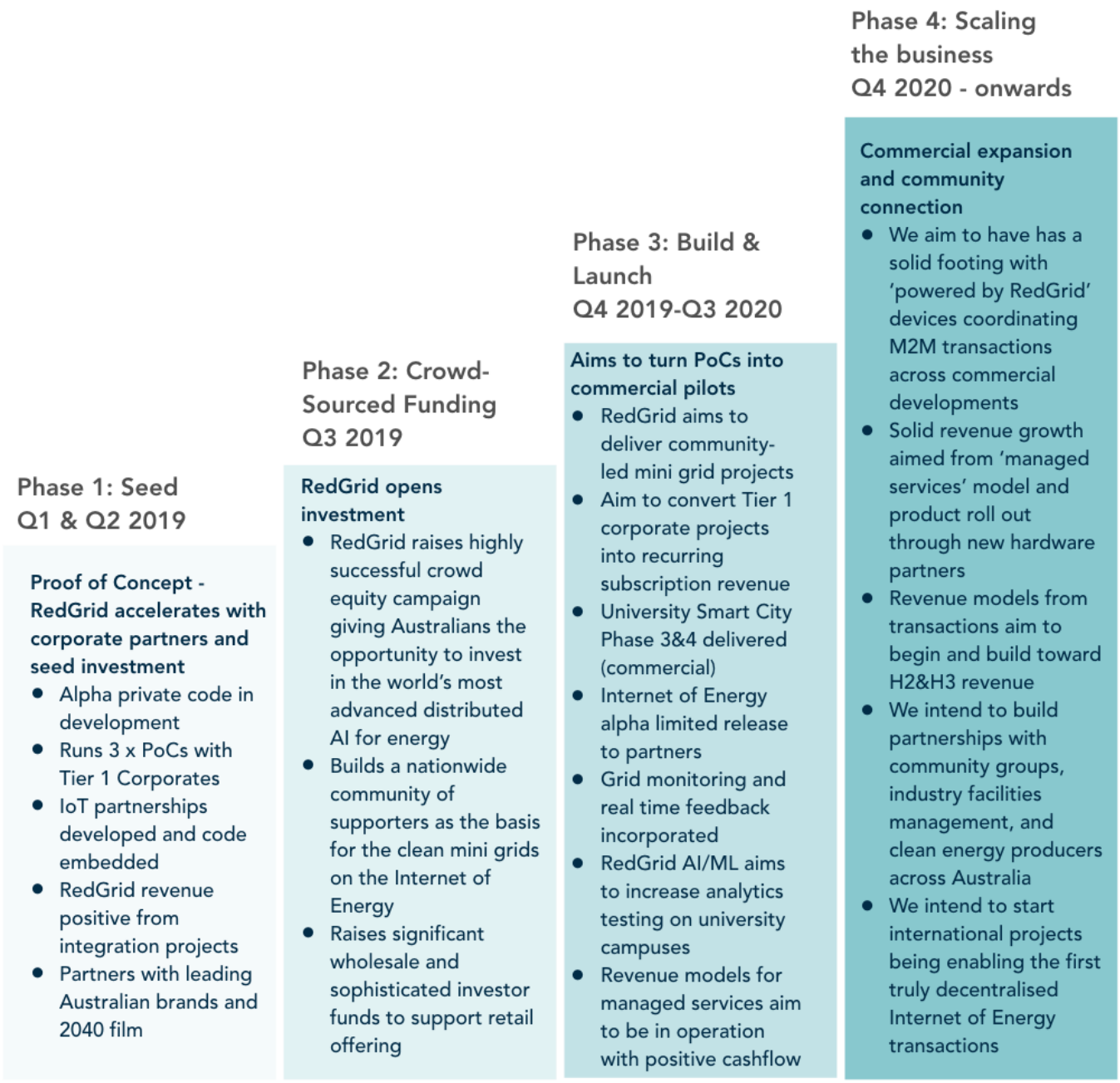
	Revenue Type	Horizon 1	Horizon 2	Horizon 3
Integration Projects	Time & Materials			
RedGrid SW Services	Annual $ Per Device			
RedGrid Application Services	Annual $ Per Device			
RedGrid Currency Services	Transaction Based			

Darker colours indicate core focus, lighter means secondary, tertiary focus.

The table above shows our evolution within these three horizons. It shows the journey of our business model from one that initially focuses on once off project revenue then moves towards product based recurring managed services and applications subscriptions. As the grid transforms, our focus we expect will shift to transaction based services that we anticipate will be the most valuable service in the future of energy.

Horizon 1: ***Adoption and Product Development (~0-18 months)***

Through this CSF we hope to assist in funding the development and accelerate the execution of Horizon 1. It is the most capital intensive of the 3 horizons. In this horizon we aim to build the core products and applications that we hope will underpin and feed subsequent Horizons. The details, revenue model, and targets for execution are outlined below.



Indicative milestones and Horizon 1 roadmap

Horizon 1 is a capital heavy stage as it requires technical and business resources to test, build, and implement RedGrid product. For that reason, our business model aims to off-set and subsidize some of those costs by focusing on signing revenue producing projects and pilots with target customers (Universities, Community Projects, and Facilities Management Companies). These projects are a focus for the business in this Horizon because they are both a profitable customer base and can assist in RedGrid's product development outcomes, thereby reducing and subsidizing working capital requirements.

Based on our historical growth rates in project revenue we forecast Horizon 1 being of a duration of ~12-18 months dependent on investment in the company and success signing the strategic projects above.

Horizon 1 is fundamental to the RedGrid strategy and it should be noted that subsequent Horizons we outline below are conditional on our ability to successfully execute this Horizon 1.

Horizon 2: ***Commercial Rollout, Volume Sales (~18-36 months)***

After the products have been developed/refined and market tested in Horizon 1 and we have a strong portfolio of projects and partnerships in place RedGrid hopes to enhance our efforts around volume based revenues generated primarily from IoE software, support, and IoE Application software sales.

This phase we intend will comprise revenues collected through Software sales that attract annual per unit subscription fees based on units sold. The primary vehicle for this we intend to be our IoE Insights Application (for corporate energy managers), and our IoE Adaptive Demand Management Application (for corporate and retail).

These products by RedGrid will hope to aim toward at DNSPs, minigrid operators, and Device OEM makers who we hope will 'on sell' them through their products to Facility Managers, Universities, Retail Consumers and others.

RedGrid's strategic approach aim to incubate and grow 'devices under management' volume incrementally through the one off projects signed in Horizon 1 and then once a foundation volume is achieved in Horizon 2 work with DNSP's, minigrid operators, and Device OEM makers to embed/ integrate that software into their device standard.

This horizon has the aim to provide RedGrid with a more mature recurring revenue, leading into Horizon 3.

Horizon 3: ***Global Expansion and Network Effect / Volume (~36 months+)***

As IoE Grid Transformation takes effect we hope that the IoE ecosystem will become a global phenomenon in a similar way that the protocols that underpinned the information internet did. As this occurs we foresee a situation where energy could become tradable and portable between individuals, devices, communities, and even countries.

This is where true transformation we hope will occur and we see a situation where individuals and businesses can use their energy production, consumption, and reputation as currency for other value.

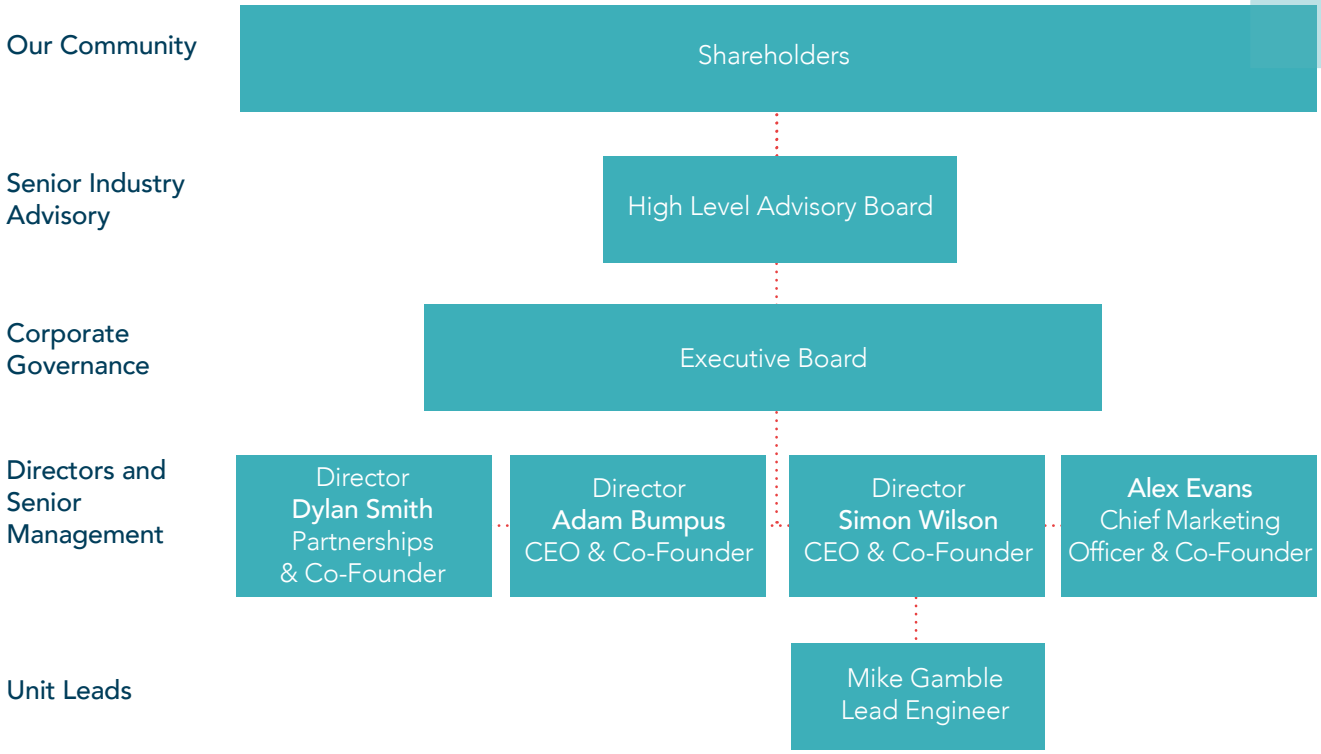
Example - I can use surplus energy I create through my solar at home elsewhere in the IoE ecosystem, for example as currency to recharge my EV wherever I drive in the city.

In this stage our vision is one where the IoE's inbuilt, open, and native 'energy' currency and reward system becomes a new de-facto currency that is portable and used around the world and can be redeemed for value in a variety of contexts.

In Horizon 3, RedGrid aim to provide the services that facilitate transactions and value conversions in and out of that ecosystem. These services we intend will be the revenue and business focus of this Horizon.

Business and Organizational Structure

RedGrid is a for-profit company (Pty Ltd) registered in Australia.



Risks facing the business

Below is a description of the main risks we perceive facing RedGrid's growth, aspirations, and business model. Risk is commonly described as the effect of uncertainty on a company's objectives. Risk or uncertainty may result in a positive or negative outcome.

An investment in RedGrid should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general, risks associated with RedGrid (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares). If you are in any doubt, if you are unsure, if you do not understand anything in this document and can not get an answer, if you cannot afford to lose the investment amount, please, do not invest in this Offer.

Type of Risk	Description of Risk
Winning new business	***Product development and project delivery*** There is a risk that we will be unable to build and deliver products and get a customer minimum viable product (MVP). We have contracts for projects and services, which may not be successful and may not support the resources required to build the products and software or be able to support the engineers to develop horizon 1.
Regulatory risks	***Energy is a highly regulated industry*** RedGrid's products and services aim to work within energy production, consumption, and storage equipment, infrastructure, and architectures. The grid systems and consumer environments that underpin these areas are regulated and therefore RedGrid, like all other energy businesses, is exposed to regulatory risk. This may come in the form of government or regulator rulings precluding or constraining the establishment of micro-grids or innovative advancements for the grid in the Australian market. Additionally regulators may implement 'subsidisation' schemes that may discourage or alter the business case for RedGrid or Internet of Energy related customer investment. These influences could have adverse effects on our potential revenue in the future.
Technology risks	***Platform risk*** RedGrid technology platform and the 'Internet of Energy' is built upon the Holochain technology platform. This platform is a technology stack that is still emerging and is unproven. There is risk that the 'Internet of Energy' platform and Holochain project fail to succeed or deliver on the capability being promoted. If realised, this risk could impact some of the unique technical benefits being promoted by the RedGrid products and services. Although RedGrid has a contingency plan for this (re-factoring our technology into a different platform) this could impact RedGrid's ability to find, fund, and maintain new or existing projects.
Funding risk	***Operational expenses and strategic objectives*** RedGrid is raising funds to achieve product development, project execution, and delivery of our business objectives. We may not raise all of the funding required and/or we may have some business financial model assumptions that prove incorrect and mean we are unable to achieve these objectives. Without adequate capital to fund operational expenses the business may be unable to achieve its strategic business objectives or continue to operate.

People risks	***Team*** Currently the company has three permanent team members, which includes three of the co-founders. Once the crowd-sourced funding is successful, the company aims to formalise two more permanent contracts and hire external resources to build the business. The business has a number of people that are important to the success of the business. If these people leave, RedGrid would need to replace them to achieve the business objectives. ***Staff for conducting business*** Upon success of the crowd-sourced funding, RedGrid will aim to hire some external resources (primarily developers and marketing). As with any business, whenever new people (and/or projects) are introduced to a business there is the potential that they may not follow policies and procedures and could introduce new operational risks to the business.
Competition risk	***Competitive market*** RedGrid's product and proposition is launching within a competitive industry with many players around the globe. These players comprise of both existing incumbents and new emerging platforms trying to win and/or retain market share. If RedGrid is not able to acquire customers the company will not achieve its strategic objectives. Additionally other market competitors may emerge in the near future.

Management comments on historical performance and outlook

Horizon 1 which is outlined in this document is the most capital heavy stage for RedGrid as it requires technical and business resources to test, build, and implement our products. For that reason, our business model aims to off-set and subsidize some of those costs by focusing on signing revenue producing projects and pilots with target customers (Universities, Community Projects, and Facilities Management Companies). These projects are a focus for the business currently in this Horizon because they are both a profitable customer base and will assist in RedGrid's product development outcomes, thereby reducing and subsidizing working capital requirements.

Based on our historical growth rates in project revenue we forecast Horizon 1 being of a duration of ~12-18 months dependent on investment in the company and success signing the strategic projects above.

Revenue Projections

For Horizon 1, we intend to achieve steady growth in revenues in line with historical performance that has seen RedGrid, in just over 12 months of operation, sign three paying projects of combined value approximately $220k.[12]

This figure is comprised of around $30k revenue already realized from Monash University in 2018, in addition to approximately $190k in signed contracts from Energy Australia and Monash University. These future revenues are based on successful completion of agreed project milestones that aim to be realized before June 2020.

Using this historical data provides a good indication of the potential project revenues and growth for our business. Using that data, our Quarter-to-Quarter growth over that period has been very strong in revenue terms. Should RedGrid maintain this same level of growth, we hope to achieve positive cash flow by the beginning of Q3 2020.

Note that the RedGrid financial model underpinning these projections has not been reviewed and is there is no reliance on an independent accountant report.

12. Comments on revenue outlook are, of course, inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty, and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by RedGrid and has not been validated by an independent third party. Note that these projections are relevant to describe our business growth strategy. Figures and estimates should be considered speculative. The Investor should therefore consider that an investment in RedGrid is high-risk and speculative. A description of the main risks identified that may impact our business is outlined above. Investors are advised to read this section carefully before deciding to apply for shares under this Offer. There are also other, more general, risks associated with RedGrid (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

13. Note this figure comprises projects that have been committed but not yet realized on historical balance and cash flows statements below.

Our target market is universities, facilities management companies, and property developers.

- ***For universities:***

  Currently we are in discussions with universities, and we hope to close at least another two projects of a similar size to our current university projects, and we hope we will be signed off in the next six months.

- ***For facilities management companies:***

  We have currently agreed to run one proof-of-value project with Spotless, which we hope to scale up with a broader pilot and then commercialization.

- ***For property developers and owners corporations:***

  This is a particular area of interest and we are in discussions with four communities and five property development companies/project initiatives.

- ***Finally, we are discussions with DNSPs around three pilot opportunities.***

With the support of your investment associated with this offer document, alongside our traction and project delivery, we hope will allow RedGrid to have a commercial product in the market by ~Q3 2020. Your contribution therefore significantly accelerates our ability to shift into the more mature 'capital light, platform based' business model outlined in Horizon 2.

Capital Structure

Issued Capital

RedGrid has 4,150,000 ordinary shares issued today and there are no other existing classes of shares or other classes of shares on issue.

	Type	***Current Equity and Shares***	***Min $330k Acheived Equity and Shares***	***Max $825k Achieved Equity and Shares***
Founders and Senior Managers	Ord	100% (4,150,000)	88.41% (4,425,000)	80.45% (4,425,000)
Startupbootcamp (SBEA)	Ord	0% (0)	5% (250,000)	4.55% (250,000)
Crowd Equity (this offer)	Ord	0% (0)	6.59% (330,000)	15% (825,000)
TOTAL		100% (4,150,000)	100% (5,005,000)	100% (5,500,000)

The rights associated with the securities of the Company are summarised in Section 3 below.

Significant Shareholders

The currently issued 4,150,000 shares are held in full by company founders and senior management.

Founders

The founding Shareholders have all been working on this project for over twelve months and are also bound by the RedGrid Internet of Energy Enterprises Constitution. The constitution places restrictions on the disposal of shares by the existing shareholders, and imposes restraints on the founding shareholders in regard to having interests in competitive business(es) during and after their respective periods of involvement with RedGrid. The Constitution does not grant any rights to the parties to that Agreement that are more favourable than those of crowd-sourced funding Investors.

Startupbootcamp Australia

Startupbootcamp Australia (SBC) is a strategic investment for RedGrid. As a global accelerator, SBC has accelerated 727 start ups, created 2960 jobs, have 30% of female-led companies, and a global network of programmes which RedGrid is encouraged to network with.

RedGrid won a place from over 650 energy applications to join the Startupbootcamp global accelerator family and in doing so RedGrid signed a Simple Agreement for Future Equity (SAFE) agreement with Startup Bootcamp (SBC) Australia.

This agreement will be executed through success of this raise which explains the equity holdings above for this shareholder. This SAFE provides value $25,000 AUD shares in the company to be purchased at a 90% discount which we have diluted from the Founders pool, and not the crowd equity raise. Under the current CSF SBC's equity will convert at 3.45 - 5%. Holdings post raise of this entity are shown for maximum and minimum subscription figures above.

As a shareholder the local and global SBC community provide daily advice to RedGrid's core team.

ESOP (Employee Stock Ownership Plan)

RedGrid has allocated a pool of ordinary shares for senior employee allocation. These shares are reflected and included in the Founders and Senior Managers minimum and maximum raise figures above.

Crowd (This offer)

Should we achieve maximum raise of $825,000 the total crowd equity pool will represent 15% ownership of RedGrid.

These shares reflect equity in the company and shareholders will be parties to the RedGrid constitution

Offer

The table below outlines the share price, and volume available to investors through this offer:

Shares	***Price per share:***	***Min Raise $330k***	***Max Raise $825k***
CSF Offer	$1	330,000	825,000
Total Pool	$1	5,005,000	5,500,000

Note - All shares are subject to future dilution in subsequent investment rounds. At this point in time, RedGrid does not aim to undertake subsequent rounds, although this may be necessary due to market and business development directions.

Debt and other Funding Sources

Debt

RedGrid has taken debt financing from key partners in order to realise the potential of the company. These have been specifically targeted at organizations that we hope will provide strategic benefit over and above capital.

- ***June 2019:*** RedGrid has taken a AUD$10,000 bridging loan from its sister company, RUBIX consulting, to pay for marketing and communications for the crowd equity raise. This is at 11% interest and due in Q4 2019. This debt and other costs attributable to the crowd campaign have been included in the 'Section 4 - Use of Funds' / 'Other Costs' value of this document. The founder of RUBIX. is Dylan Smith who is also a co-founder of RedGrid and owns an equity stake in RedGrid.
- ***June 2019:*** RedGrid has secured space at the tech hub, YBF Ventures, with 50% paid in cash and 50% as a loan against future capital raise. YBF is actively supporting the promotion of RedGrid through their media and assisting with further industry connections. This aims to be paid back through a future Initial Coin Offering that RedGrid intends to manage for the Internet of Energy Protocol. This equates to a total of AUD$19,200 debt value. This ongoing cost is amortized within project and customer proposals that we aim to repay through project revenues.
- ***July 2019:*** RedGrid has obtained a US$110,000 loan from Holochain founders. Payment terms are 5% simple annual compound interest with the full loan due to be repaid by November 1, 2024. RedGrid are Holochain's leading Global Energy project and the loan was made to support our company build capacity and raise capital. The Holochain founders are assisting RedGrid with investor connections, technical development, and international community building. Payment can be made in fiat or cryptocurrency and, as such, this loan we aim to use to establish the Initial Coin Offering that RedGrid aim to manage for the Open Source Internet of Energy Protocol.

Non-Debt Investment

RedGrid have also received investment in the form of non-financial but valuable resources from numerous partners and groups over our journey. Most noteworthy this includes the following:

- ***October 2018***: Academy XI is a Melbourne based company that provides Web Development, Growth Hacking, Technology Education and Technology Product development services. Academy XI provided RedGrid with resources to provide customer discovery and user interface design support for a 'donation' token product and concept that RedGrid are developing.

- ***November 2018:*** RedGrid was awarded one of 10 positions in the A-Lab Accelerator run by the Australian Renewable Energy Agency (ARENA). This program provided resources, mentorship and acceleration support.

- ***February 2019 (and ongoing):*** RedGrid are a sister company to Rubix Consulting, which is one of Australia's leading Artificial Intelligence, Blockchain and emerging tech consulting firms. Rubix have and continue to support RedGrid with ad-hoc technical and consulting support and technical resources.

- ***March 2019 (and ongoing):*** RedGrid are the premier Energy Industry project for the global distributed technology platform Holochain. Holochain are an emerging leader in the distributed technology industry and recently won Blockchain Industry Disruptor of the year 2019 at the Malta Blockchain and AI Industry Awards. Holochain have invested in RedGrid providing core developers resources to advise and assist us. They provided resources who worked alongside us in the A-Lab accelerator program, hosted a three day Developer retreat at which RedGrid where the premier project earlier in the year. We continue to support and work closely with the Holochain group.

- ***March 2019 (and ongoing):*** RedGrid, in addition to our Holochain partnership, are receiving ongoing support and resources from a parent group of the Holochain community called the 'Commons Engine'. The Commons Engine comprises many of the world's leading 'Currency and Incentive System designers' who provide direct feedback and mentorship in the design of RedGrids distributed energy platform and value trading solutions. Commons engine support for RedGrid included their hosting and funding of a two day dedicated RedGrid design workshop in which they flew a team to Melbourne (including the Holochain founder and arguably the world's leading currency designer Arthur Brock).

- ***March 2019 (and ongoing):*** RedGrid have been supported in the form of joint promotions and marketing through the 2040 Documentary by MadMan Films that features stories about transformative clean energy innovations from around the world. 2040 have provided assistance to RedGrid through promotion to their network of our platform, product, and equity raise.

Financial Information

Below are the financial statements for the 12 months to June 30 2019 for RedGrid. These details have been prepared by RedGrid's accountants Maccora & Associates in accordance with the Australian Accounting Standards. Below is a summary of the Financial Statements of the Company for the Financial Years ended 30 June 2018 and 2019. Note the Company was established on 7th June 2018.

Financial information for the month ended 31 July 2019 is also included below. This information has been included to include two additional contracts that RedGrid has secured from Energy Australia and Monash University with a combined value of approximately $190,000. This revenue will be realized through these projects through various milestones payments before Jun 2020.

Balance Sheet

RedGrid Internet of Energy Enterprises Pty Ltd

MACCORA & ASSOCIATES
Accountants & Business Advisors

	As At 31 Jul 2019	Year Ended 30 June 2019	Year Ended 30 June 2018
Assets			
Bank			
Tility Labs RedGrid One	26,273	6,120	-
Total Bank	**26,273**	**6,120**	**-**
Current Assets			
Cash on Hand	41,501	2	2
Total Current Assets	**41,501**	**2**	**2**
Intangible Assets			
Harris-Braun Enterprises	43,287	57,716	-
Geek Gene LLC	75,375	100,500	-
Total Intangible Assets	**118,662**	**158,216**	**-**
Jobs Pending			
Monash Uni (Signed 31/07/19)	187,000	-	-
Energy Australia (Signed 31/07/19)	11,000	-	-
Total Jobs Pending	**198,000**	**-**	**-**
Total Assets	**384,436**	**164,338**	**2**
Liabilities			
Current Liabilities			
GST	(330)	-	-
Unearned Revenue			
Monash University	187,000	-	-
Energy Australia	11,000	-	-
Total Unearned Revenue	**198,000**	**-**	**-**
Total Current Liabilities	**197,670**	**-**	**-**
Non-current Liabilities			
Loan Agreements			
Harris-Braun Enterprises ($40,000 USD @ FX 23/06	57,716	57,716	-
Geek Gene LLC ($70,000 USD @ FX 24/06/19)	100,500	100,500	-
Rubix Consulting Pty Ltd	10,000	10,000	-
Total Loan Agreements	**168,216**	**168,216**	**-**
Future Equity Agreements (SAFE)			
SBC Energy Australia	25,000	25,000	-
Total Future Equity Agreements (SAFE)	**25,000**	**25,000**	**-**
Total Non-current Liabilities	**193,216**	**193,216**	**-**
Total Liabilities	**390,885**	**193,216**	**-**
Net Assets	**(6,450)**	**(28,878)**	**2**
Equity			
Issued Shares	4,150,000	2	2
Unpaid Shares	(4,108,499)		
Retained Earnings	(28,880)	(28,880)	-
Current Year Earnings	(19,071)	-	-
Total Equity	**(6,450)**	**(28,878)**	**2**

Cash Flow

RedGrid Internet of Energy Enterprises Pty Ltd
MACCORA & ASSOCIATES
Accountants & Business Advisors

	As At 31 Jul 2019	Year Ended 30 June 2019	Year Ended 30 June 2018
Operating Activities			
Payments to suppliers and employees	(4,822)	11,054	-
Cash receipts from other operating activities	(14,579)	(39,934)	-
Net Cash Flows from Operating Activities	**(19,401)**	**(28,880)**	**-**
Investing Activities			
Other cash items from investing activities	(158,446)	(158,216)	(2)
Net Cash Flows from Investing Activities	**(158,446)**	**(158,216)**	**(2)**
Financing Activities			
Other cash items from financing activities	198,000	193,216	2
Net Cash Flows from Financing Activities	**198,000**	**193,216**	**2**
Net Cash Flows	**20,153**	**6,120**	**-**
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	6,120	-	-
Cash and cash equivalents at end of period	26,273	6,120	-
Net change in cash for period	**20,153**	**6,120**	**-**

Profit and Loss Statement

RedGrid Internet of Energy Enterprises Pty Ltd

MACCORA & ASSOCIATES
Accountants & Business Advisors

	Month Ended 31 July 2019	Year Ended 30 June 2019	Year Ended 30 June 2018
Income			
Consulting Income	-	11,054	-
Total Income	**-**	**11,054**	**-**
Gross Profit	**-**	**11,054**	**-**
Other Income			
FX Gain / (Loss)	(14,579)	-	-
Total Other Income	**(14,579)**	**-**	**-**
Operating Expenses			
Advertising	43	5,332	-
Bank Fees	7	32	-
Client Meetings	-	1,026	-
Consulting Fees	877	23,175	-
Entertainment	6	165	-
Expensed Equipment (<$30K each)	-	2,964	-
Filing Fees	300	36	-
Insurance	131	719	-
Legal Fees	2,727	2,370	-
Light, Power, Heating	-	61	-
Office Expenses	14	40	-
Printing & Stationery	-	369	-
Subscriptions	387	1,879	-
Travel - National	-	1,767	-
Total Operating Expenses	**4,492**	**39,934**	**-**
Net Profit	**(19,071)**	**(28,880)**	**-**

Movements in Equity

RedGrid Internet of Energy Enterprises Pty Ltd

MACCORA & ASSOCIATES
Accountants & Business Advisors

	As At 31 Jul 2019	Year Ended 30 June 2019	Year Ended 30 June 2018
Equity			
Opening Balance	(28,878)	2	-
Current Year Earnings	(19,071)	(28,880)	-
Issued Shares	4,149,998	-	2
Unpaid Shares	(4,108,499)		
Total Equity	**(6,450)**	**(28,878)**	**2**

Directors and Senior Managers

Team: Key personnel and staffing technical resources

Dr. Adam Bumpus *(CEO and Co-Founder)*

Adam has worked in climate change and energy for nearly 20 years, helping organizations like the UN, World Bank, and the private sector improve clean energy investment and innovation, and helping build capacity for corporate executives and our young people on how to be climate leaders.

In addition to being the CEO and Co-Founder at RedGrid, Adam is a Senior Lecturer in the Faculty of Business and Economics at Melbourne University, and holds a doctorate from Oxford University in carbon finance. He has been a visiting scholar at Stanford University and UC Berkeley, and has published in top journals, including Nature Climate Change on climate innovation and technology.

Prior to RedGrid, Adam ran a consultancy delivering international climate and energy development projects. This included delivering AusAID's Action Against Climate Change project in the Pacific, the 10 year review of the Pacific Framework for Action on Climate Change policy, UNDP's nationwide stakeholder engagement for REDD+ in Vietnam, integration of the Pacific disaster risk reduction and adaptation policy, $9m Cook Islands climate change action plan, and the Global Green Growth Institute's Pacific multi-country clean energy roadmap.

Simon Wilson *(CTO and Co-Founder)*

Simon was co-lead for Blockchain working group at a leading Australian national bank where he managed multiple blockchain projects/pilots, facilitated design sessions, provided group education workshops, co-ordinated and ran regular internal blockchain meetups.

He is certified as a developer with Consensus(ethereum), Holochain and has further certifications in discrete mathematics, game theory, javascript, financial services innovation, and others.

Simon is highly experienced in complex, risk intolerant infrastructure projects having performed leadership positions in major global infrastructure and software projects in various industries. Most notably he was lead architect, Network Services for the SingTel-ANZ Bank Super Regional Network rollout which transformed network services at ANZ in over 28 countries, 1300 sites including complex Data Centre implementations and transformations.

He is an advisor with the Australian Digital Commerce/Currency Association, is an invited member of the ASEAN Association for Crypto-currency Enterprise and Startups, and is a founding member of the Global Blockchain Advisory Protocol, and MIT 'Future of Commerce' Alumni.

Alex Evans *(CMO and Co-Founder)*

Alex Evans is a marketing specialist who has been a part of the international DLT space since 2015. In this time Alex has passionately been working to communicate the immense capabilities of this distributed technology, to help create a dialogue around how we can use it to unlock value. This has primarily involved content creation on capturing the DLT space, and collaborating with members of ConsenSys in New York to produce media.

In addition to this, Alex has actively consulted on branding and marketing strategy for several businesses both within the technology industry and outside of it. Currently, Alex is leading the branding and marketing strategy as CMO of RedGrid.

Alex is a firm believer that growth in effective communication around distributed ledger technology, IoT, and clean energy will be a key factor that catalyses the transition to the third generation of the internet, and a sustainable future.

Mike Gamble *(Senior Engineer)*

Mike has had a long career in technology product development across the spectrum of small to large: teams, projects, technology, and societal impact. Mike has written critical and vital control software for ROV (remote operated vehicle) submarines; driverless trains; automatic cruise control on freight trains; and robot arms and vehicles in the cleanup of the Three Mile Island nuclear disaster.

In Australia, Mike wrote microcode for ASICs at QPSX, the R&D company that invented IEEE 802.6, and brought broadband to the telecommunications equation. The product group was eventually bought by Ericsson. During that time Mike designed a suite of network management tools through teams he managed concurrently in Perth, Sydney, Cork, and Hyderabad.

This trajectory into telcos continues to this day, the latest being as cybersecurity strategist on Australia's nbn (national broadband network).

In parallel, he has created startup companies. During the 2000s he and five colleagues formed Atamo, an electronic product development house mainly for Western Australia's mining industry, but also a sports electronics line; he exited in 2010 to form Second Kinetik, a telco consultancy. Mike is co-inventor of Atamo's patented "Wetronome", a sports pacing device used by swim teams worldwide leading up to the Athens Olympics.

Recent years have seen a deep dive into blockchain technologies, running the first Blockchain Meetup in Melbourne, and now the Holochain Meetup in a similar role. Mike served on the advisory board of the 2018 APAC Blockchain conference. He formed adappt.io in 2017 for Ethereum smart contract development before devoting fully to Holochain and Holochain-based distributed network tool development.

Dylan Smith *(Head of Partnerships and Co-Founder)*

Dylan's strength is in forming and growing highly successful technology companies. For over 20 years, Dylan has utilised his Electrical Engineering background and extensive experience in large corporate organisations to grow technology companies from infancy through to exit, including two Initial Public Offerings (IPO) and one Initial Coin Offering (ICO).

Currently Dylan is the Founder and CEO of leading Australian Artificial Intelligence and Machine Learning technology company RUBIX. (www.wearerubix.com), the sister company to RedGrid. RedGrid works closely with RUBIX. to leverage their expert capabilities in data security, governance, data science, machine learning, artificial intelligence and Web 3.0. RUBIX. provides emerging technology solutions to some of Australia's largest and most successful businesses to help them become leaders in their field by maximising the potential of their data assets.

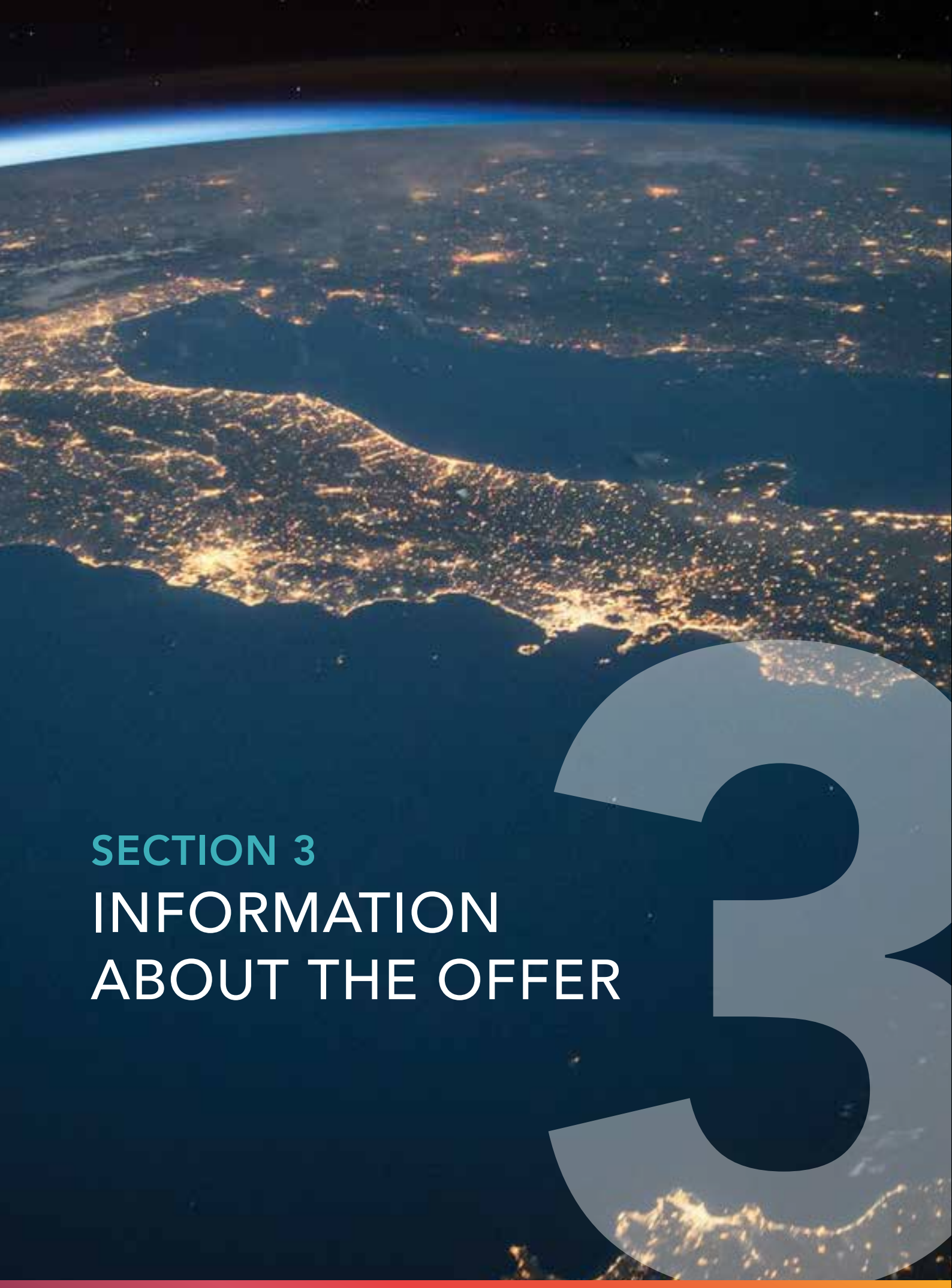
Dylan is active in the local emerging technologies community and is in demand as an advisor and mentor for numerous organisations in relation to technology strategy. His energy and passion in this field is a great asset to RedGrid. Dylan's vision is to make Melbourne the Silicon Valley of the Asia region, which he is confident RedGrid will be a large contributor to this vision.

Partners

Working with leading companies and projects, including the UN Award Winning Monash Net Zero Emissions Minigrid, major retailers, and large facilities management companies, RedGrid is enabling improved renewable energy integration, and creating a decentralized, secure, and intelligent grid. Internationally, RedGrid has collaborated with UN Award Winners SOLshare and the German utility, Innogy, assisting them in their decentralized value exchange work.

The RedGrid team and Holochain's core developer (Phil Beadle) at the Australian Renewable Energy Agency (ARENA) A-Lab incubator, November 2018. Hosted at the Melbourne Zoo (only informal advice taken from a helpful lemur).

In our short time as a company, we have accelerated fast. RedGrid has won a number of high profile competitions including the Melbourne University-Powershop Energy Hack (2018), invited to be part of the Australian Renewable Energy Agency incubator A-LAB, and has recently been accelerated through the world class accelerator, Startupbootcamp Energy Australia. Our keynote at PauseFest 2019 and short descriptor video from YBF Ventures highlights our journey (see https://www.youtube.com/results?search_query=redgrid).



SECTION 3

INFORMATION ABOUT THE OFFER

3

Rights and liabilities about the Offer

3

Immediately after issue and allotment, the shares offered under this Offer Document will be fully paid ordinary shares. All ordinary shares have the same voting rights (one vote for each share held) and the same rights to receive dividends.

A more detailed description of the rights associated with the shares can be found in section 'Rights associated with the shares' of this Offer Document.

Terms of the Offer

RedGrid is offering up to 825,000 shares at an issue price of AU $1.00 per share to raise up to $825,000.

The key terms and conditions of the Offer are set out in the Table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at https://www.birchal.com/.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Table 4. Terms of the Offer

Term	***Details***
Shares	Fully-paid ordinary shares
Price	AUD $1.00 per share
Minimum Subscription	$330,000.00
Maximum Subscription	$825,000.00
Opening date	8 August 2019
Closing date	4 September 2019

A description of the rights associated with the shares is set out below.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten.

Use of funds

The table below sets out the intended use of the funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended Usage	Minimum Raised (12 months; Q3 2019 – Q3 2020)	Maximum Raised (12 months; Q3 2019 – Q3 2020)
Admin/Legal/ Accounting	$3,000	$11,500
Marketing and communications	$6,200	$80,000
IT Development Engineers	$35,000	$300,000
Executives, senior management & consultants	$266,000	$384,000
Cost of offer	$19,800	$49,500
Total Funds	$330,000	$825,000

The table above is based on the minimum funds required to build and deploy the orchestrated demand management application, implement IoT integration, and transact energy value through virtual minigrids over a 12 month period (minimum raise).

The maximum raise significantly increases execution capacity and speed to productization (cutting it in half) and enhances our ability to integrate with more hardware partners and onboard more customers.

Our financial modelling estimates a hurdle rate to positive cash flow at just under 18 Months should we achieve our minimum raise target and around 13 Months for a maximum raise.

The majority of the investor funding we anticipate will be spent on developers and technical resources to build, test, develop, and deploy the RedGrid products. We anticipate this will be a combination of hardware and electrical engineers, software developers, and machine learning/ artificial intelligence/ data science professionals.

Marketing and Communications allocation we expect to use for socials, community management, and 'growth hacking' resources. With this budget we aim to increase awareness and maximize our sales pipeline enabling RedGrid to integrate our products to more devices and in more communities, and projects to generate sales and achieve network effect.

The RedGrid Senior Management team have been working on the project from the inception of the business and we anticipate will continue to be responsible for product sales and business development (at this stage of the business, the best people to sell RedGrid products and services is ourselves, rather than paying commissions to sales executives).

Finally other costs such as Intermediary's fees, campaign platform commission under the hosting agreement between the Company and the Intermediary have been included.

These fees are:

- Up to 6% of all funds raised by the Issuer through Birchal Financial Services Pty Ltd (Intermediary).

Other than as specified above, we anticipate that no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

Investor Rewards: join us and become a part of the Energy Pioneer Club

In addition to being a shareholder of RedGrid, a range of incentives and rewards are being offered for investors. The table below sets out the 'investor gifts' based on amount invested.

Status	***Foundational Member***	***Senior Foundational Member***	***Gold Foundational Member***	***Energy Pioneers Club Global Platinum Member***	***Inner Council Membership (limited to 12 people)***	***Advisory Board (limited to 6 people)***
Investment Minimum Threshold	***$500***	***$1,000***	***$5,000***	***$10,000***	***$50,000***	***$100,000***
"I built the Internet of Energy" - RedGrid T-shirt	✓	✓	✓	✓	✓	✓
Early access to prototype Pioneer Edition RedGrid Smart Plugs at 90% discount	✗	✓	✓	✓	✓	✓
Early access to prototype Pioneer Edition Gold RedGrid AC controller* and 2 x Smart Plugs at 90% discount; priority Internet of Energy connection Newsletters, exclusive events, global community connection	✗	✗	✓	✓	✓	✓
Early access to prototype Pioneer Edition PLATINUM RedGrid AC controller and 3 x Smart Plugs at 90% discount; priority Internet of Energy connection	✗	✗	✗	✓	✓	✓
Early access to prototype Pioneer Edition PLATINUM RedGrid AC controller and 3 x Smart Plugs at 90% discount; priority Internet of Energy connection Biannual Inner Council exclusive events	✗	✗	✗	✗	✓	✓
Have a seat on the RedGrid Advisory Board - take an active role in shaping the company's future	✗	✗	✗	✗	✗	✓

*RedGrid Smart Plugs and AC Controller

RedGrid with our OEM partner are developing a product that aims to integrate the Adaptive Demand Management and Internet of Energy features and capability to a hardware device that will control split system air-conditioners.

This device aims to integrate into popular split system air-conditioners and, with RedGrid software, aims to enable more efficient pre-heating and pre-cooling based on market and local conditions.

RedGrid is also developing the ability to integrate its software with smart plugs to enable each plug to respond to market signals.

Note, these products are not developed yet, and as such there are risks in bringing this to market successfully. Risks may exist around partner development and agreement, certification, appropriate integration of software, and effectiveness of cost savings.

What can I do with my shares?

3

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business. These include, but are not limited to:

- A trade purchase of the Company
- A listing on a recognised stock exchange (e.g. the ASX, the Australian Stock Exchange)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

Rights associated with the shares

Immediately after issue, the shares will be fully-paid ordinary shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the RedGrid's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

Dividends

All shareholders have a right to receive any dividends declared and paid by the Company The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

General meetings and notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

Election and removal of directors

The Board may by Ordinary Resolution appoint or remove a person as a Director.

Winding-up

Subject to the terms of issue of shares and this rule, the surplus assets of the Company remaining after payment of its debts are divisible among the Members in proportion to the number of fully paid shares held by them and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

Restrictions on sale or transfer

All transfers or disposals of shares will be subject to the conditions set out in company constitution.

The Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

4

Cooling-off rights

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows: by following the link and instructions on the CSF Offer page on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

Proprietary company corporate governance obligations

Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than $3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's website at the following address www.redgrid.io (free of charge) or can purchase the report from ASIC.

Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company.

However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

SECTION 5

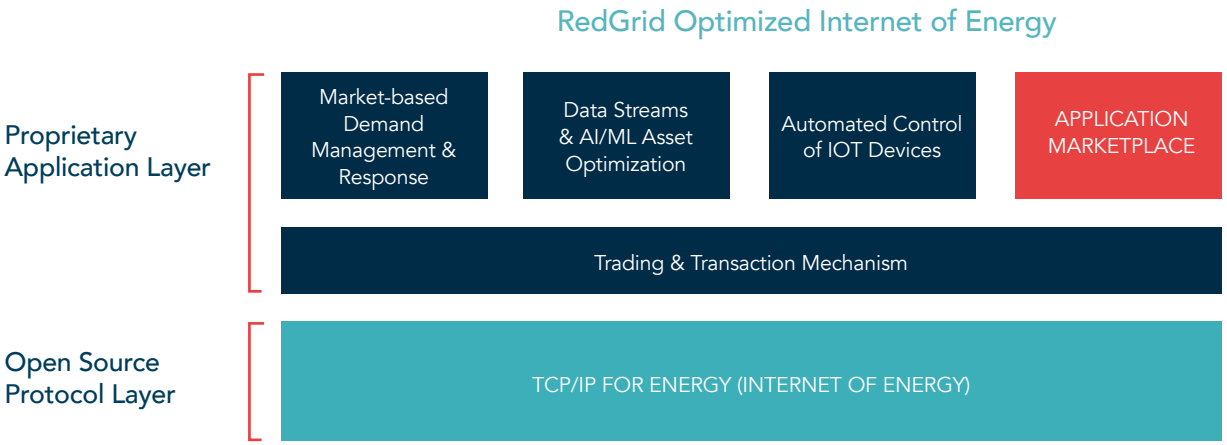
SUPPLEMENTARY INFORMATION

Creating the Internet of Energy

To realise this vision, RedGrid are creating a new open energy solution called the 'Internet of Energy' (IoE). The IoE aims to be an open source protocol that provides a common language for any and all energy devices. IoE-connected energy devices communicate, organize, adapt, and adjust their behaviour peer-to-peer and machineto-machine with knowledge and awareness of the system and their surroundings.

RedGrid is the for-profit organization that is leading the charge in providing the products, services, and value around this new ecosystem and communications standard. Much like the internet of information's value comes from the applications that run on it, RedGrid is building proprietary applications on top of the Internet of Energy.

RedGrid applications aims to deliver energy value for energy producers and consumers in Australia and around the world. Our services aim to differ from other solutions in the market that, despite many of their claims, are expensive, pay-to-play, proprietary, centralized, inefficient, and lack the dynamism required to support a truly distributed energy system.



RedGrid aims to establish the The Internet of Energy Foundation, a not-for-profit and separate, but connected, entity that hopes to raise its own capital through international channels and will aim to support the ability for RedGrid to implement its technology with partners around the world. With this crowd equity raise we hope to enable RedGrid to deliver more projects with more partners to enable the realization of the IoE Protocol.

Technology Trends:
IoT integration through software is next big growth phase

The number of IoT devices is expected to grow to 75 billion by 2025 (in 2019 it is 26.6 billion). 127 new devices are connected to the internet every second. 57% of device owners say it saves them time, 45% say that is saves them money, especially on energy.[14] These energy IoT devices need a private, secure, and scalable software platform to build on. This is what RedGrid is doing.

14. https://safeatlast.co/blog/iot-statistics/

Our climate change emissions are rising: Australia is not on target to meet its commitments to the United Nations Framework Convention on Climate Change Paris Agreement by 2030. According to the Lowy Institute poll,[15] six in ten Australians say 'global warming is a serious and pressing problem', and 'we should begin taking steps now even if this involves significant costs'. RedGrid's technology enables current renewable energy to be used more efficiently, and creates incentives for new renewable energy investment.

The electricity grid is an overloaded brain; it cannot cope. Right now network providers spend $17bn per year on network upgrades, largely to cope with the five or six peak demand events per year. Yet when electricity demand is high, we have rolling blackouts meaning people are without power on the hottest days of the year.[16] AEMO says these will likely increase, with households likely footing the bill. RedGrid enables intelligent demand management of energy that reduces customer electricity bills and contributes to grid stability.

The near future:
Why we need an energy system that is smartly connected

We are at the confluence of disruption impacting the energy industry. The decentralization, decarbonization, and digitalization of the electrical grid have repercussions across the industry and they are demonstrating how our current grid is rapidly becoming unfit-for-purpose.

The reality is that the current system, where visibility ends at the 'meter box,' is inadequate. It is not ready and is unable to cope with this new dynamic ecosystem where any user can be at once a consumer of energy, a provider of energy, and/or a storer of energy.

Even people with solar and storage do not have the control and ability to use their power in the most effective ways. Retailers who offer improved services for renewables are still based on the old system: a rebate for your solar provision at less than a third of the cost you pay for your energy from them the rest of the time. Even flat rate tariffs like a Telco are not at the moment able to provide true value because the intelligence stops at the meter. And what about people who want to act, but are unable to install their own solar or renewable energy devices? Should they be left out? We say no. We need everyone in this fight for a clean energy future. We are working on currency design schemes to include renters and multi-tenant dwellings who may not have direct ownership of energy generation.

This is why we are focused on providing inclusivity for people with and without solar and renewable energy, providing the ability to reduce electricity bills, and enabling all of this through smart automated control.

Emerging agent-based Distributed Ledger Technology (DLT) in combination with Private/ Distributed Artificial Intelligence and IoT devices and sensors means that we can now enable the smallest and simplest of devices and systems to communicate, share, trade, and adapt their behaviour with knowledge, awareness, and appreciation of the other devices around them.

15. https://lowyinstitutepoll.lowyinstitute.org/themes/climate-change-and-energy/
16. https://www.afr.com/news/households-may-have-to-pay-more-for-power-to-ease-demand-crunches-20190128-h1akgm