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Q2 2023 Update

Fluence Corporation (ASX:FLC)

31 July 2023

Q2 2023 Highlights

All numbers are unaudited and refer to continuing operations



- **Q2 2023 revenues of \$16.8M** – Up 15% over Q1 2023, mainly driven by SPS Revenue. Down 39% from Q2 2022 mainly due to the wind-down of the Ivory Coast Main Works.
- **SPS revenues up 105%** from Q1 2023 and 64% over Q2 2022, primarily due to revenue growth in our Specialized Industrial Water business.
- **Backlog currently at \$52.8M**, \$46.6M of which is from SPS and Recurring Revenue.
- **New orders in Recurring Revenue up 36%** in Q2 2023 over Q2 2022. Orders in SPS up 35% in Q2 2023 over Q1 2023 but down 43% over Q2 2022 due to order delays. Orders expected to increase significantly in H2 2023 vs. H1 2023.
- **Fixed Costs savings of \$3.8M in H1 2023** over H1 2022, representing a reduction of 28% and reflecting the impact of implementing the restructuring announced in Q4 2022.
- **Cash Balance of \$18.1M plus \$11.8M in short and long-term deposits** – Cash up \$2.9M from Q1 2023 primarily due to the collection of Milestone 9 of the Ivory Coast project (\$18.8M), which was received in April 2023. The Company had Operating Cash Flow of \$2.2M in Q2 2023.
- **Reducing guidance to total revenue of \$90-95M for FY 2023 (of which SPS plus Recurring Revenue is \$60-70M) and EBITDA of \$2.5M** – Still represents an increase in EBITDA of almost 10% over FY 2022.

All numbers in presentation are USD unless otherwise stated.

Key Recent Wins



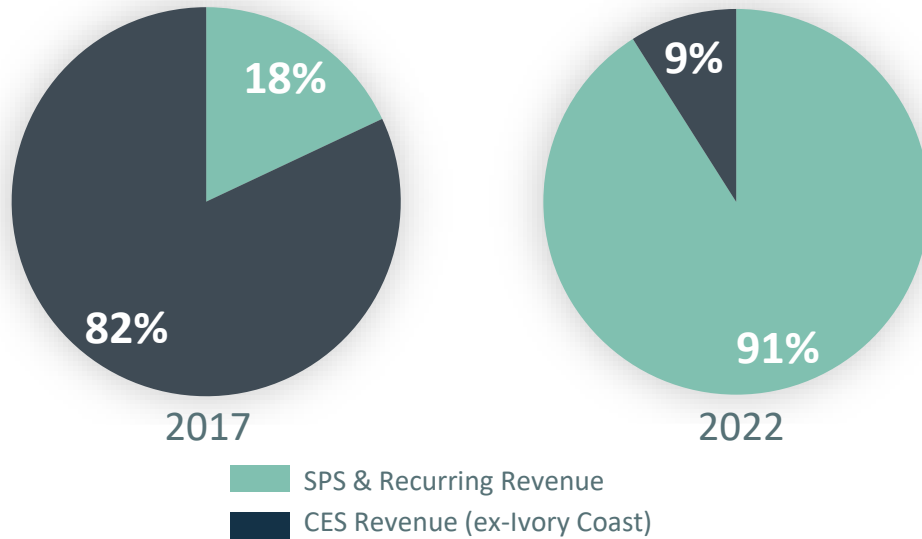
The Company secured several notable new wins recently that were not announced publicly, including:

- New repeat orders from a long-standing truck stop client totaling almost \$500k
- Four new orders from Coca-Cola in Argentina and Brazil for water reuse applications totaling \$2.7M
- Three of our first MABR / MBR system sales in Saudi Arabia
- Two new industrial treatment plant projects in Italy for food and beverage companies totaling \$1M
- Two of the largest MABR retrofit projects in the world each totaling 25,000 CMD to help the Shexian Jingdian and Shexian Qingzhang WWTPs in China comply with new stringent effluent regulations

Fluence: Fast To Deploy, Profitable Water Solutions



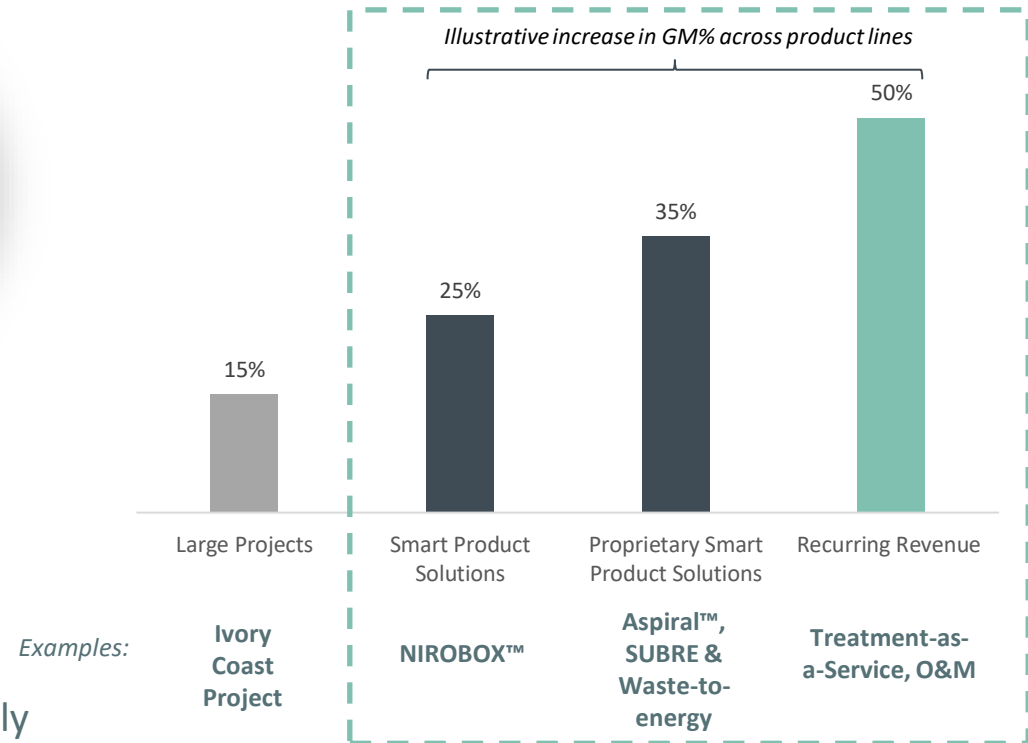
Mix Has Shifted To Core Revenues ex-Ivory Coast



Stronger Focus on SPS and Recurring Revenue Growth

- + Proven technology deployed rapidly & widely
- + High margin and capital efficient
- + Highly attractive recurring revenue model
- + Target markets can leverage additional capital with high IRRs
- + Higher growth segment within water

Transition To Higher Margin Revenue



De-emphasizing Custom Engineered Solutions (CES):

- Lower margins
- Lumpy, irregular contracts
- Selectively consider only CES projects which utilize Fluence proprietary technology

Leading ESG Impact in Water Treatment

Water Sector Emissions: 1.8% of Global CO₂, 4.6% of Global Methane
Existing Fluence Plants Mitigate The Equivalent of 241K tons of CO₂/year

Committed to UN SDGs

- Fluence technologies are highly energy efficient (MABR, desalination) and lower CO₂ and other harmful contaminants
 - Many wastewater treatment technologies emit Nitrous Oxide (N₂O): 300x worse than CO₂ – Fluence MABR emits nitrogen: **installed systems currently save 306 tons/year of N₂O emissions, equivalent to 91,800 tons of CO₂**
 - A decentralized approach using Fluence MABR to solve the world's wastewater needs would result in increased access to clean water and wastewater → **Potential annual energy savings of 2 TWh, equivalent to 150 million tons CO₂**
 - Waste-to-energy form industrial wastewater mitigates a further 128,600 tons CO₂/year**
- Fluence is committed to ESG and delivers on 10 of the 17 UN SDGs



Sustainability Impact from Fluence's Installations

MABR & NIROBOX



29 GWh / year
in energy savings vs
conventional technologies
mitigates 20,200 Tons CO₂ / year

Wastewater-to-Energy



182 GWh / year
clean energy from biomass
mitigates 128,600 Tons CO₂ / year

Reuse



**17Bn Liters Water
Recycled / year**

Water



**158Bn Liters
Drinking Water
Produced / year**

Wastewater



**253Bn Liters
Wastewater
Treated / year**

- ✓ MABR installations remove >2,000 tons of nutrient pollution/year
- ✓ Lowers Nitrous Oxide emissions by 306 tons/year

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2022 consolidated financial figures presented on IFRS basis are audited; 2023 figures are unaudited and subject to change.



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