



NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Notification to Eligible and Ineligible Retail Shareholders

8 November 2023

Fluence Corporation Limited (**ASX: FLC**) ("**Fluence**") will today despatch the attached sample letters to shareholders of Fluence, in accordance with their eligibility or ineligibility, to participate in the retail component of the pro rata accelerated non-renounceable entitlement offer of new shares in Fluence, which was announced on Wednesday, 1 November 2023.

This ASX release was authorised to be given to the ASX by the Board of Directors of Fluence.

For further information, please contact:

Australia

Andrew Angus Investor Relations

E: andrewangus@overlandadvisers.com.au

P: +61 402 823 757

United States of America

Thomas Pokorsky

Managing Director & CEO

E: tpokorsky@fluencecorp.com

About Fluence Corporation Limited (ASX: FLC)

Fluence is a leader in Wastewater Treatment and Reuse, High-Strength Wastewater Treatment, Wastewater-to-Energy, Industrial and Drinking Water markets, with its pre-engineered, standardized Smart Products Solutions (SPS), including Aspiral™, NIROBOX™, SUBRE and Nitro. In addition to rapid delivery and commissioning of solutions to meet a broad range of needs from smaller communities to city-scale systems, Fluence offers ongoing operation and maintenance support, Build Own Operate (BOO) and other recurring revenue solutions. Fluence has a broad international footprint and focuses on high growth markets including North America and South East Asia.

Further information can be found at <https://www.fluencecorp.com/>

USA

7135 Madison Ave W.

Golden Valley, MN 55427

Phone: +1 763 746 8400

Facsimile: +1-212-572-5704

Fluence Corporation Limited

ABN: 52 127 734 196

www.fluencecorp.com

AUSTRALIA

Level 4, 96-100 Albert Road,

South Melbourne, Victoria 3205

Phone: + 61 3 9692 7222

Facsimile: + 61 3 9077 9233



8 November 2023

Re: Fluence Corporation Limited – Retail Entitlement Offer to open on Wednesday, 8 November 2023

Dear Shareholder

On Wednesday, 1 November 2023, Fluence Corporation Limited ABN (52 127 734 196) (ASX: FLC) ("**Fluence**" or the "**Company**") announced a partly underwritten pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") to eligible shareholders to subscribe for one (1) new fully paid ordinary Fluence share (each a "**New Share**" and collectively, the "**New Shares**") for every 2.5 existing fully paid ordinary Fluence shares (the "**Existing Shares**") held as at 7:00pm (AEDT) on the record date (being Friday, 3 November 2023) ("**Record Time**") at an issue price of A\$0.08 per New Share ("**Issue Price**") to raise up to approximately A\$20.8 million. Concurrently with the Entitlement Offer, Fluence also announced a fully underwritten placement to institutional investors at the a price of 0.12 per New Share to raise approximately A\$19.8 million ("**Placement**", together with the Entitlement Offer, the "**Offer**"). Alongside the Placement, Bell Potter Securities Limited (**Bell Potter**) facilitated the sell down by RSL Investments Corporation and RSL Capital of its holding of 165.4 million Fluence shares (**Sell Down**).

The use of proceeds of the Offer was outlined in the Company's announcement on Wednesday, 1 November 2023 and includes partially paying down the existing debt facility with Upwell.

Entitlement Offer

The Entitlement Offer is comprised of:

- an accelerated entitlement offer to eligible institutional investors ("**Institutional Entitlement Offer**"); and
- a retail offer to the remaining eligible shareholders with a registered address in Australia or New Zealand as at the Record Time ("**Retail Entitlement Offer**").

The New Shares issued pursuant to the Entitlement Offer will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) with existing Fluence ordinary shares on and from the date of issue. Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

This letter is not an offer document but is a notice of some key terms and conditions of the Retail Entitlement Offer.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer will open on 8 November 2023 and is expected to close at 5.00pm (Melbourne time) on 27 November 2023 ("**Retail Entitlement Offer Period**").

Further information on the Retail Entitlement Offer is set out in the retail offer booklet for the Retail Entitlement Offer ("**Retail Offer Booklet**"). The Retail Offer Booklet is available on the ASX website (www.asx.com.au) from 8 November 2023. You may access a copy of the Retail Offer Booklet from www.investorserve.com.au. The personalised Entitlement and Acceptance form will be sent with the

letter. If the Shareholders pay by BPAY, they do not need to return the form.

Shareholders who have opted to receive communications electronically, will receive an email containing a link to access an electronic copy of the Retail Offer Booklet and a personalised Entitlement and Acceptance Form.

Under the Retail Entitlement Offer, Eligible Retail Shareholders (defined below) will have the opportunity to subscribe for one (1) New Share for every 2.5 Existing Shares they held at on the Record Time, at the Issue Price ("**Entitlement**").

Eligible Retail Shareholders are shareholders who are registered as the holder of Existing Shares at the Record Time and:

- have a registered address on the Fluence register of members which is in Australia or New Zealand;
- are not in the United States nor acting for the account or benefit of a person in the United States (to the extent such person holds existing shares for the account or benefit of such person in the United States); and
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer ("**Eligible Retail Shareholders**").

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlement will lapse. Eligible Retail Shareholders who do not take up their Entitlement in full under the Retail Entitlement Offer will not receive any value or payment for those Entitlement they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The Issue Price represents a:

- 42.9% discount to the last closing price of A\$0.14;
- 44.2% discount to the 5-day volume weighted average price of A\$0.143; and
- 34.4% discount to the Theoretical Ex-Rights Price (**TERP**) of A\$0.122.

Actions required by eligible retail shareholders

Your Entitlement will be shown on the personalised Entitlement and Acceptance Form that accompanies the Retail Offer Booklet (which will be accessible as set out above). The choices available to Eligible Retail Shareholders are described in the Retail Offer Booklet. In summary, Eligible Retail Shareholders may:

- take up their Entitlement in full;
- If they take their Entitlement in full, they may also apply for additional New Shares in excess of their Entitlement under the Oversubscription Facility (described below);
- take up part of their Entitlement and allow the balance to lapse; or
- take no action and allow all of their Entitlement to lapse.

Eligible Retail Shareholders who do not take up their Entitlement in full or in part will not receive any value in respect of the Retail Entitlement Offer not taken up and will have their interest in Fluence diluted as a result.

If you wish to take up all or part of your Entitlement, you must pay your application monies by following the instructions set out in your personalised Entitlement and Acceptance Form by no later **than 5.00pm (AEDT) on Monday, 27 November 2023**. Further details of how to submit an application will be provided in the Retail Offer Booklet.

Oversubscription Facility

Any New Shares referable to Entitlements not taken up in full pursuant to the Retail Entitlement Offer will be made available to Eligible Retail Shareholders who take up their full Entitlement and apply for additional New Shares. Those New Shares will be allocated in accordance with the policy set out in the Retail Offer Booklet.

Shortfall

If there is any shortfall under the Retail Entitlement Offer after the application of the Oversubscription Facility and the partial underwriting by Bell Potter, the directors of Fluence reserve the right to place any or all of the shortfall may be placed to one or more investors within two months of the closing date of the Retail Entitlement Offer, at Fluence's Board of Directors' discretion and at a price not less than the Issue Price. Such investors may include professional or sophisticated investors, or other investors identified by the Company. The Company has not yet determined whether any such placement will occur.

Indicative Timetable

Event	Date
Announcement of Sell Down, Placement and Entitlement Offer	1 November
Placement and Institutional Entitlement Offer bookbuild	1 November - 2 November
Announcement of results of the Placement and Institutional Entitlement Offer and FLC Shares recommence trading	3 November
Record Date for the Retail Entitlement Offer	7.00pm, 3 November
Retail Offer Booklet dispatched to Eligible Retail Shareholders	8 November
Retail Entitlement Offer opens	8 November
Sell Down, Placement and Institutional Offer settlement date	8 November
Issue and quotation of New Shares under Placement and Institutional Entitlement Offer	9 November
Retail Entitlement Offer closes	27 November
Announcement of results of Retail Entitlement Offer	30 November

Settlement of New Shares issued under Retail Entitlement Offer	1 December
Issue of New Shares under the Retail Entitlement Offer	4 December
Quotation and trading commence on a normal settlement basis	5 December

All dates are 2023.

The above timetable is indicative only (except where historical) and subject to change. All times and dates refer to AEDT. Subject to the Listing Rules, FLC in conjunction with Bell Potter, reserves the right to vary any or all of these dates, including the Retail Entitlement Offer closing date, without prior notice or consultation with you. Any extension of that closing date will have a consequential effect on the anticipated date for issue of the New Shares under the Retail Entitlement Offer. FLC also reserves the right not to proceed with the whole or part of any of the Offer at any time prior to allotment.

QUESTIONS

If you have any queries about the Retail Entitlement Offer, please contact Fluence's share registry, Boardroom Pty Ltd on 1300 737 760 (for callers within Australia) or +61 (0)2 9290 9600 (for callers outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

The board of directors of Fluence is pleased to offer this opportunity to you and thanks you for your continued support.

Yours faithfully

Melanie Leydin
Company Secretary
Fluence Corporation Limited

USA

7135 Madison Ave W. Golden Valley,
MN 55427
Phone: +1 763 746 8400
Facsimile: +1-212-572-5704

Fluence Corporation Limited

ABN: 52 127 734 196
www.fluencecorp.com

AUSTRALIA

Level 4, 96-100 Albert Road, South
Melbourne, Victoria 3205
Phone: + 61 3 9692 7222
Facsimile: + 61 3 9077 9233

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Pro rata accelerated non-renounceable entitlement offer – Notification to ineligible shareholders

On 1 November 2023, Fluence Corporation Limited (ACN 127 734 196) (**FLC** or the **Company**) announced an accelerated non-renounceable pro rata entitlement offer of 1 new fully paid ordinary share (**New Share**) at \$0.08 per New Share for every 2.5 fully paid ordinary share held by shareholders in Australia or New Zealand (**Eligible Shareholders**) at 7:00 pm Melbourne time on 3 November 2023 (**Record Time**) to raise up to approximately A\$20.8 million (**Entitlement Offer**).

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). Any New Shares not taken up in full pursuant to the Retail Entitlement Offer may be made available to Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares (**Oversubscription Facility**).

The proceeds of the Entitlement Offer will be used to pay down an existing debt facility and towards the working capital of the Company as well as the costs of the Entitlement Offer.

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

What is the Entitlement Offer?

The Entitlement Offer is being made by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*, meaning that no prospectus or other disclosure document needs to be prepared.

The Institutional Entitlement Offer has already closed and the results announced to the ASX on 3 November 2023. FLC has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer (**Retail Offer Booklet**).

Bell Potter Securities is the Lead Manager and Underwriter of the Entitlement Offer (the **Lead Manager**) and as also engaged with certain sub-underwriters of the Entitlement Offer who will sub-underwrite the Entitlement Offer up to the amount of their sub-

underwriting commitments. These sub-underwriters include directors and management of FLC.

What is the Retail Entitlement Offer?

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders (defined below) of an entitlement to subscribe for 1 New Share for every 2.5 shares held at the Record Time, at a price of A\$0.08 (**Offer Price**) for each New Share (**Entitlement**). Documents relating to the Retail Entitlement Offer were lodged with the ASX on 8 November 2023. As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable.

As well as the offer noted above, the Entitlement Offer includes an Oversubscription Facility under which Eligible Retail Shareholders who subscribe for their Entitlement in full, can apply to take up additional New Shares, at the same price of \$0.08 per New Share, in-excess of their pro-rata Entitlement.

Accordingly, the number of New Shares equal to the number that you would otherwise be entitled to subscribe for under the Retail Entitlement Offer may be offered under the Oversubscription Facility. To the extent they are not offered and subscribed for under the Oversubscription Facility, they will be subscribed for by the Lead Managers and sub-underwriters at the Offer Price. As a result, no amount will be payable by you and you will not otherwise receive any value for Entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

The Retail Entitlement Offer opens on 8 November 2023 and is expected to close at 5.00pm (AEDT) on 27 November 2023 (**Retail Entitlement Offer Period**).

Who is eligible?

The Retail Entitlement Offer is available only to Eligible Retail Shareholders. An Eligible Retail Shareholder is a person who:

- (a) is registered as the holder of shares at the Record Time;
- (b) has a registered address on the FLC register of members which is in Australia or New Zealand as noted on FLC's share register or are a Shareholder that FLC has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- (c) is not in the United States nor acting for the account or benefit of a person in the United States (to the extent such person holds existing shares for the account or benefit of such person in the United States); and
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer (without any requirement for a prospectus or offer document to be lodged or registered).

Why am I not eligible to participate in the Retail Entitlement Offer?

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Retail Shareholder. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that you are not entitled to participate in the Retail Entitlement Offer and as such, you will not be offered any New Shares or Entitlements under the Retail Entitlement Offer. You will also not be sent a copy of the Retail Offer Booklet.

The restrictions upon eligibility are due to a number of factors. FLC has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, it would be unreasonable to make offers to shareholders in any country outside of Australia and New Zealand, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

The Lead Manager and each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will be allocated to the Lead Manager (in their capacity as Underwriter) or sub-underwriters the Lead Manager as procured sub-underwriting agreements.

On behalf of the Company, we thank you for your continued support of FLC.

Yours sincerely,



Douglas Brown

Chairman

Fluence Corporation Limited

Further information

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or Boardroom on Boardroom Pty Ltd on 1300 737 760 (within Australia) or + 61 2 9290 9600 (from outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

Disclaimer

This letter is issued by FLC to inform you about the Retail Entitlement Offer and has been authorised and approved by the Board of FLC for lodgement with ASX. All the amounts are in Australian dollars unless otherwise indicated. This letter is not a prospectus or offer document under Australian law or any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in FLC in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of FLC shares. You are not required to do anything in response to this letter.

No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements and the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. This letter has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction where it would be illegal. Any securities described in this letter have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Persons who come into possession of this letter should observe any such restrictions as any non-compliance could contravene applicable securities laws.

USA

7135 Madison Ave W.Golden Valley,
MN 55427
Phone: +1 763 746 8400
Facsimile: +1-212-572-5704

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ABN: 52 127 734 196
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AUSTRALIA

Level 4, 96-100 Albert Road, South
Melbourne, Victoria 3205
Phone: + 61 3 9692 7222
Facsimile: + 61 3 9077 9233
