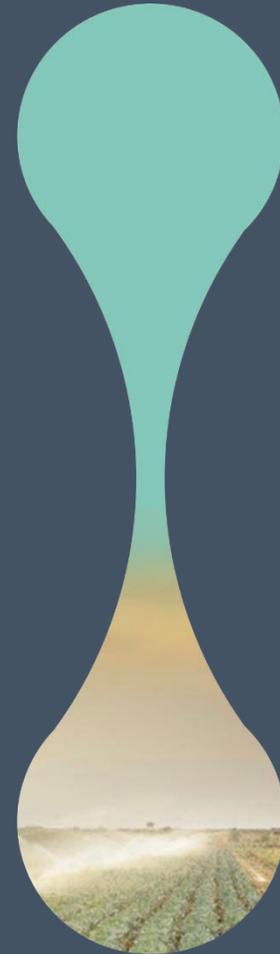




Q1 2024 Results  
Investor Presentation

April 30, 2024



*Sustainable Water Solutions*



# Disclaimer

This presentation has been prepared by Fluence Corporation Limited (ASX: FLC). All currencies quoted as “\$” are US dollars unless otherwise specified. Some totals may vary slightly due to rounding.

This Presentation may contain forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties and include statements regarding outcome and effects of the Offer. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward-looking statements. These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Presentation, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors many of which are beyond the control of the Company, its Directors and management. Although the Company believes that the expectations reflected in and the assumptions underlying the forward-looking statements included in this Presentation are reasonable, readers are cautioned not to place undue reliance on them, as the Company cannot give any assurance that the results, performance or achievements covered by the forward-looking statements will actually occur.

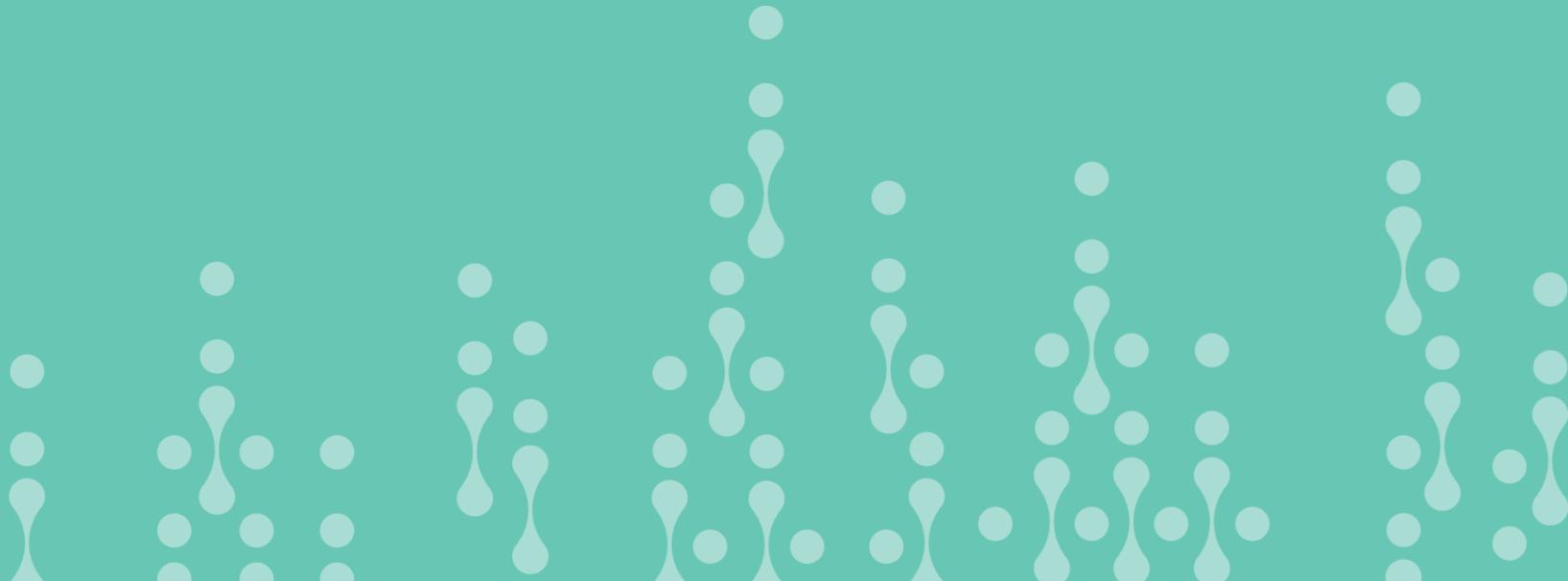
This presentation should not be considered as an offer or invitation to subscribe for or purchase any shares in FLC or as an inducement to make an offer or invitation to subscribe for or purchase any shares in FLC. No agreement to subscribe for securities in FLC will be entered into on the basis of this presentation or any information, opinions or conclusions expressed in the course of this presentation. This presentation is not a prospectus, product disclosure document or other offering document under Australian law or under the law of any other jurisdiction. It has been prepared for informational purposes only and does not constitute

an offer or invitation to apply for any securities, including in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful. This presentation is not financial product advice or investment advice nor a recommendation to acquire any securities in FLC and has been prepared without taking into account the objectives, financial or other situation, or particular needs of individuals. Before making any investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction.

To the maximum extent permitted by law, the Company and its professional advisors and their related bodies corporate, affiliates and each of their respective directors, officers, management, employees, advisers and agents and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation and liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use of or reliance on anything contained in, or omitted from, this presentation. Neither the Company nor its advisors have any responsibility or obligation to update this presentation or inform the reader of any matter arising or coming to their notice after the date of this presentation document which may affect any matter referred to in the presentation. Readers should make their own independent assessment of the information and take their own independent professional advice in relation to the information and any proposed action to be taken on the basis of the information.

Consolidated financial figures for 2021, 2022, and 2023 are presented on IFRS-basis and are audited. Figures for 2024 and any forward-looking financial figures are unaudited. Past performance and pro forma financial information in this presentation is given for illustrative purposes only and should not be relied on and is not an indication of future performance.

# COMPANY OVERVIEW



# Executive Summary

<b>New and Highly Experienced Leadership</b>	<ul style="list-style-type: none"><li>• Over 100 years of experience in the water and wastewater treatment industry</li><li>• Chairman, CEO, CFO, and CCO all joined within the last 2-3 years</li><li>• Notable turnaround experience and a number of highly successful exits leading to material returns for shareholders</li></ul>
<b>Strategic Shift to Higher-Margin Revenue Segments</b>	<ul style="list-style-type: none"><li>• Restructuring and realignment has substantially reduced overhead and enhanced cross-selling and collaboration</li><li>• Focusing on high-margin Smart Product Solutions (“SPS”) and Recurring Revenue</li><li>• Transitioning from lower-margin and higher-risk Custom Engineered Solutions (“CES”)</li><li>• Growth in pipeline and recent new orders showing success of new strategy</li></ul>
<b>New Focus on Large, High-Growth End Markets</b>	<ul style="list-style-type: none"><li>• US Environmental Protection Agency (“EPA”) has assessed the need to spend &gt;\$200B in municipal water and wastewater treatment plant upgrades over the next 20 years to meet required standards</li><li>• Global High-Strength Wastewater and Wastewater-to-Energy market estimated to be \$6B</li></ul>
<b>Proven and Established Technology and Product-line</b>	<ul style="list-style-type: none"><li>• Over 800 global installations</li><li>• Membrane Aerated Biofilm Reactor technology (“MABR”) is the lowest cost wastewater treatment technology for new effluent standards being adopted globally</li><li>• Major decarbonization initiatives in North America and Europe create significant demand for Wastewater-to-Energy projects</li><li>• Fluence has 41 installed anaerobic digester plants, typically used in Wastewater-to-Energy applications</li><li>• Water reuse applications (such as semiconductor chip manufacturing) and lithium mining to drive growth in industrial markets</li></ul>
<b>Leading ESG Impact</b>	<ul style="list-style-type: none"><li>• Fluence MABR and Wastewater-to-Energy technologies are highly energy efficient and lower CO<sub>2</sub> and other harmful contaminants</li></ul>
<b>Improved Financial Outlook</b>	<ul style="list-style-type: none"><li>• Shift in strategy to deliver sustainable revenue growth and higher margins</li><li>• Q1 2024 TTM EBITDA of \$1.2M with gross margins of 33.9%</li><li>• FY 2024 guidance for \$90-100M of revenue and EBITDA of \$3.5-4.0M<ul style="list-style-type: none"><li>• Backlog of \$91M, \$56M (incl. Q1 2024 revenue) expected to ship in FY2024</li></ul></li><li>• Q4 2023 capital raise of A\$40.3M and subsequent debt repayment dramatically lowered interest burden</li></ul>

# Fluence Business Segments

The water and wastewater treatment market is highly fragmented, offering a direct opportunity for Fluence to focus on unserved markets

## MUNICIPAL WATER & WASTEWATER

- Market-leading MABR technology
- Proven products for multiple use-cases:
  - Modular: Aspiral and Nirobox
  - Larger Greenfield & Retrofit: SUBRE
- Significant global installation base



## INDUSTRIAL WASTEWATER & BIOGAS

- Process design more efficient than competition
- Technological expertise and robust installation base
- Deep knowledge of the food & beverage market including the production processes
- Turnkey system delivery (technology + equipment)
- Smaller footprint compared to competitors



## INDUSTRIAL WATER & REUSE

- 30 years of experience in South America
- Extensive reference list in target market
- Deep and experienced Engineering Team



## SEA ASIA & CHINA

- Market Leader in MABR
- Large Installed Base
- Reference in High Concentration NH3 and TN Removal
- Presence across Asia



## OPERATIONS, MAINTENANCE, PARTS & SERVICE



## BUILD, OWN & OPERATE (WATER-AS-A-SERVICE)

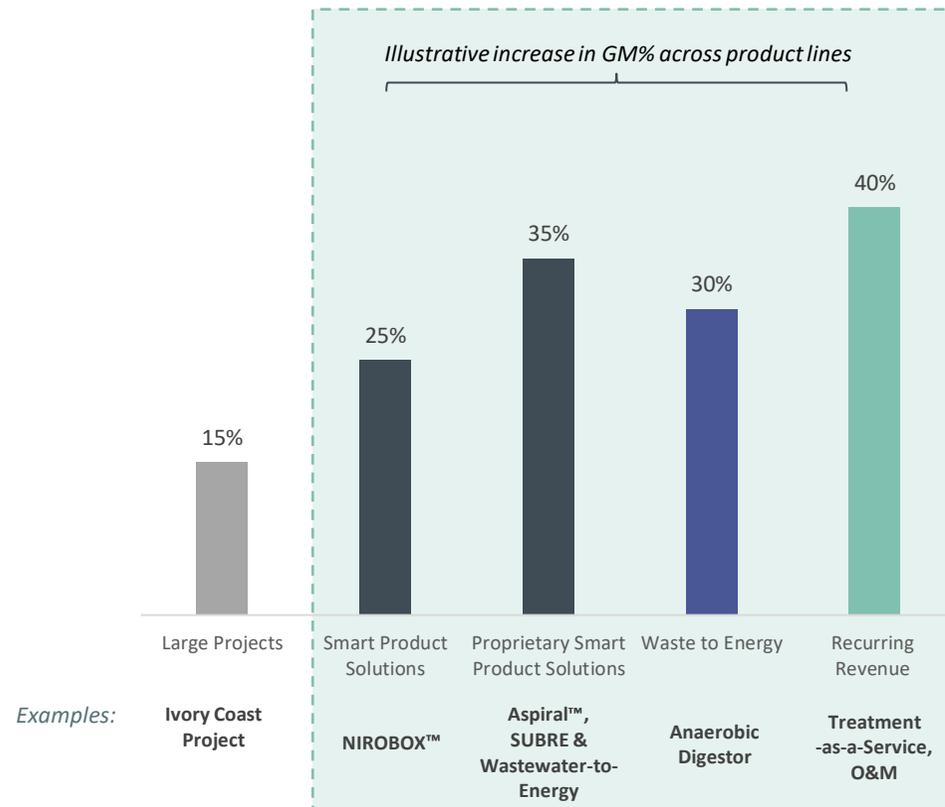


# Shifting Focus to Smart Product Solutions (“SPS”) and Recurring Revenue

Focusing our business on SPS significantly improves profitability, recurring revenue and growth

- **Stronger Focus on SPS:** Ramping sales of our unique, proven water and wastewater treatment solutions
  - + 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
  - + SPS revenue to increase significantly as a percentage of total revenue in the medium term
- **Transitioning Custom Engineered Solutions (CES):**
  - + Emphasis on Fluence technology and O&M contracts

## TRANSITION TO HIGHER MARGIN SEGMENTS

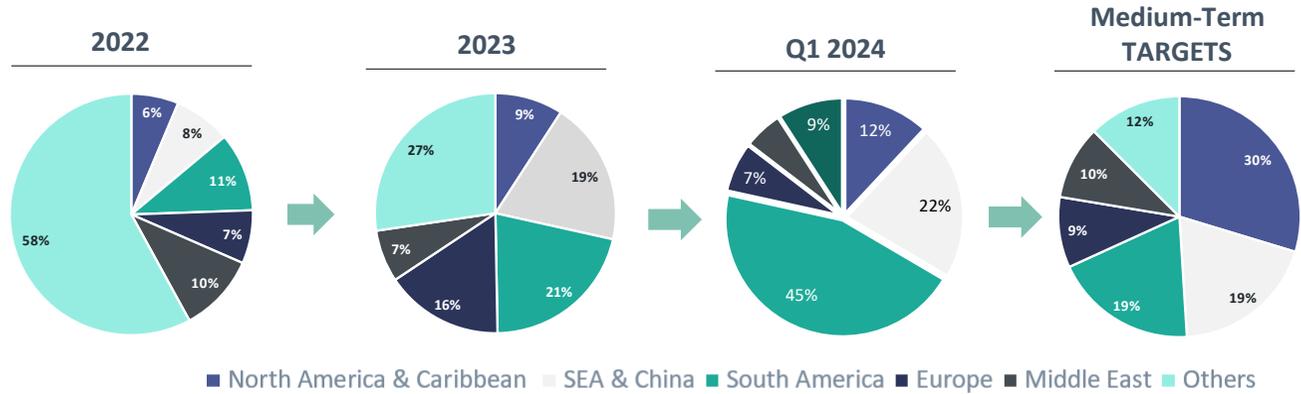


# 3-Year Vision

Focused on growing presence in North America and transitioning from CES revenue to SPS and Recurring Revenue segments

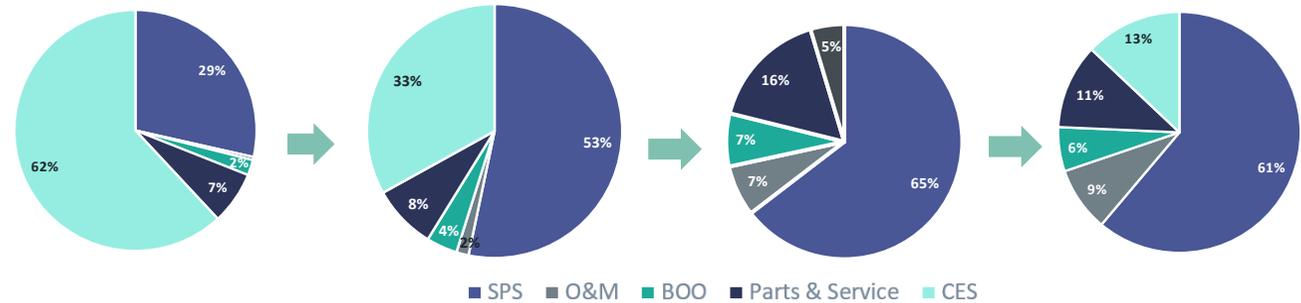
## GEOGRAPHY

- Increasing share in North America, Caribbean and SEA



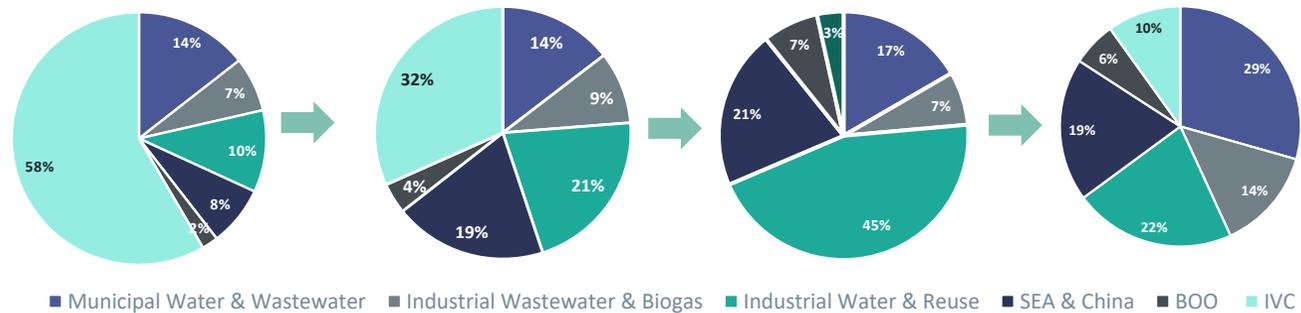
## PRODUCTS

- Increasing higher margin SPS and Recurring Revenue

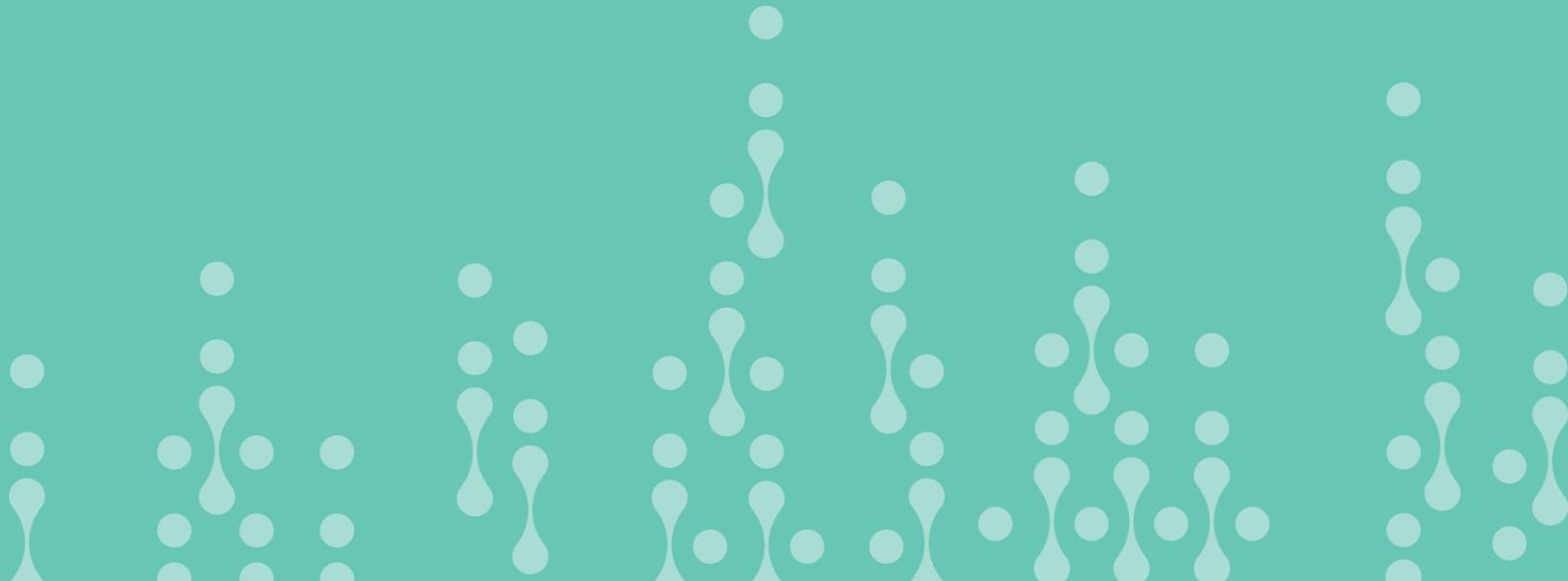


## END MARKETS

- De-risked business through broader end market mix



# Q4 & FY2023 Financial Update



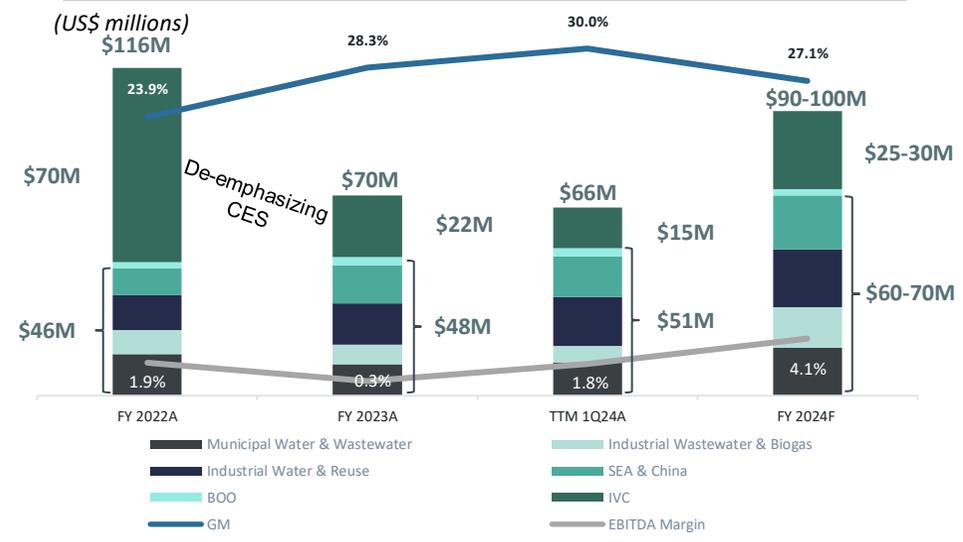
# Q1 2024 Highlights

All numbers are subject to audit

- **Q1 2024 SPS and Recurring Revenue of \$6.6M and \$3.1M**, respectively, representing 50% and 82% growth over Q1 2023 in our core product lines.
- **Total Revenue of \$10.1M** in Q1 2024 was 29% lower than Q1 2023 due to delays in commencing work on the Ivory Coast Addendum as compared to \$8.0M of revenue in Q1 2023 from the Ivory Coast Main Works.
- **Gross margins of 33.9%** in Q1 2024, an increase of 14.1% over Q1 2023.
- **Trailing Twelve Month (“TTM”) EBITDA<sup>1</sup> of \$1.2M** as at Q1 2024, an increase of \$1.0M over FY2023. Quarterly EBITDA loss of \$1.6M, an improvement of \$1.0M over Q1 2023.
- **Backlog currently at \$91.4M**, an increase of 124% from Q1 2023. \$56.3M of Q1 revenue plus 2024 backlog forecasted to be recognized during Q2 through Q4 2024.
- **SG&A and R&D savings of \$1.0M in Q1 2024** compared to Q1 2023 (including Aeromix), representing a reduction of 17%.
- **Cash balance of \$16.8M plus \$7.7M in security deposits as at 31 March 2024.** Expected negative cash flow in Q1 2024, however, underperformed expectations due to the delayed start of the Ivory Coast Addendum project and certain large collections expected to be received in Q1. Part of the cash outflows included the repayment of \$1.3M of debt.
- **Maintaining guidance for FY 2024 of \$90-100M of revenue and EBITDA of \$3.5-4.0M.**



## Financial Summary (FY2021-24F) <sup>(1)(2)</sup>



## Business Unit Financial Performance (FY2022-23)

(US\$ millions)	Q1 2023 <sup>(2)</sup>		Q1 2024 <sup>(2)</sup>		YTD Variance	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Municipal Water & Wastewater	\$1.0	(\$0.6)	\$1.7	\$0.2	\$0.7	\$0.8
Industrial Wastewater & Biogas	\$1.9	-	\$0.7	(\$0.4)	(\$1.2)	(\$0.4)
Industrial Water & Reuse	\$1.8	(\$0.5)	\$4.6	\$0.8	\$2.8	\$1.3
SEA & China	\$1.2	(\$0.7)	\$2.2	-	\$1.0	\$0.7
BOO	\$0.6	\$0.1	\$0.7	\$0.1	\$0.1	-
IVC	\$8.0	\$1.1	\$0.3	(\$0.1)	(\$7.7)	(\$1.2)
Corporate <sup>(4)</sup>	(\$0.3)	(\$2.0)	(\$0.1)	(\$2.2)	\$0.2	(\$0.2)

(1) EBITDA excludes the impact of Other Gains and Losses, which include FX gains and losses, gains and losses related to various legacy balance sheet clean-up items, restructuring, and other exceptional items.

(2) Aeromix removed as an asset-held-for-sale.

(3) Includes all intercompany eliminations and unallocated expenses.

# Recent Orders

The Company secured several notable new orders YTD 2024, including:

- Cartiere di Trevi paper mill WWTP – Trevi, Italy (\$2.3M);
- International Fish Processor Phase 2 WWTP – Mazatlan, Mexico (\$0.8M)
- Needmore WWTP – Indiana, USA (\$0.5M);
- Sagepoint WWTP – Colorado, USA (\$0.6M);
- Xingyang City Highway System WWTP – Henan Province, China (\$0.5M);
- Fiddlesticks, FL Country Club Tipton WWTP (\$1,525,000);
- Verona, Italy (confidential client) chicken slaughterhouse WWTP Phase 3 (\$1.4M);
- 1st Municipal O&M Agreement - Red Bluff, TX Dam; and
- Cabot St. Lucia Nirobox Pretreatment (\$0.5M).

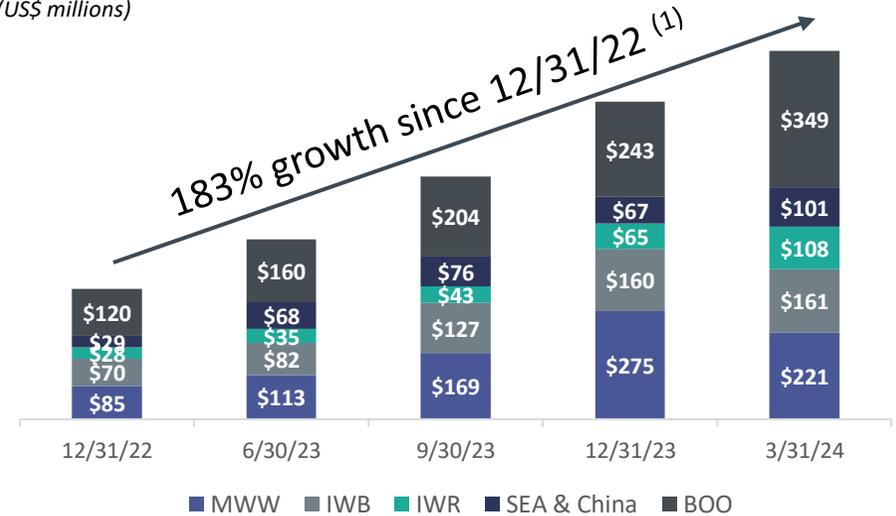
# Strong and Growing Backlog and Pipeline

Investment in sales, particularly in North America, paying dividends through rapidly growing pipeline

- Pipeline increased 183% since beginning of 2023 with broad-based growth across Municipal, IWB, IWR, and SEA & China – each of their respective pipelines increased by an average of over 200%
  - Majority of pipeline growth has come from North America
  - MWW decrease since December 31, 2023 due to the elimination of commercial operations in Israel
- Highly diversified with over 350 total projects included in pipeline with an average project size (excl. BOO) of \$1.9M
- Projecting \$40-50M in new order bookings in H1 2024
- Backlog increased by 124% YoY, with \$56.3M of Q1 revenue plus 2024 backlog forecasted to be recognized in Q2-Q4 2024

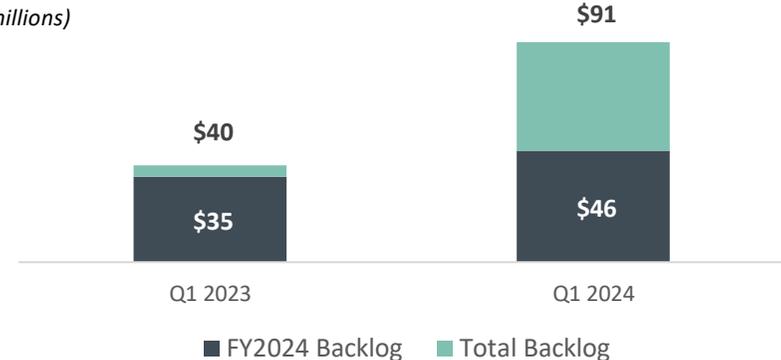
## FY2023 Quarterly Sales Pipeline <sup>(1)</sup>

(US\$ millions)



## Beginning Backlog <sup>(2)</sup> (Q1 2023 vs. Q1 2024)

(US\$ millions)



# APPENDIX



# World Class Management Team

Newly appointed management team with significant experience in water treatment leading to multiple successful exits



**DOUG BROWN**

**Chairman**

- Fluence BOD Advisor May 2022, BOD Chairman March 2023
- Ionics Incorporated (NYSE: ION) – membrane based water purification systems
  - Product Manager (1976-1983)
  - CEO (2003-05)
    - ✓ Achieved significant business turnaround
    - ✓ Increased entity value from \$350 million to \$1.3 BN in less than 2 years
- MIT Chemical Engineering, Harvard MBA



**BEN FASH**

**Chief Financial Officer**

- Joined in January 2023
- Prior to joining Fluence, CFO at Dumas Mining (2021-22)
- Newterra – Leading provider of modular water and wastewater treatment solutions
  - EVP Corporate Development (2012-2015)
  - CFO (2015-21)
    - ✓ Significant turnaround – EBITDA growth from \$0 to \$14.5M
    - ✓ Successfully exited in October 2020
- BA in Economics & Legal Studies from Williams College



**TOM POKORSKY**

**CEO and Managing Director**

- Joined in March 2022
- Nexom Inc. – dedicated to selling technology and equipment in the nutrient removal sector of wastewater treatment
  - CEO and Founder (2016-19)
    - ✓ Realized a revenue CAGR of over 25% and EBITDA CAGR of 50%
    - ✓ Exited less than 4 years after startup with an ROI exceeding 40%
- B.S. Civil Engineering (1974), Marquette University



**RICK CISTERNA**

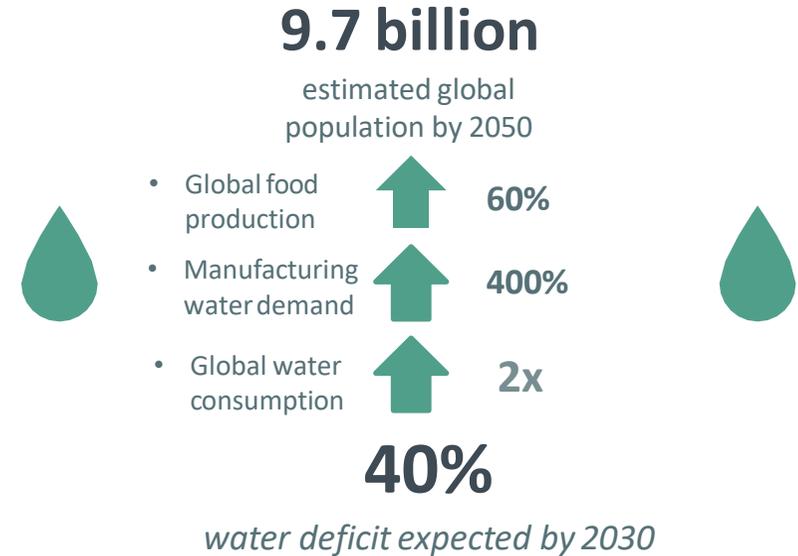
**Chief Commercial Officer**

- Joined Fluence in Dec 2021
- 30 years of water industry management experience, \$1B in contracts; \$100M in recurring revenue
- President of several renewable energy and water infrastructure development companies focused on build, own, operate, finance model
- Stanford University – MS Environmental Engineering
  - Full scholarship and honors fellowship
- University of Nevada, Reno – BS Civil Engineering
  - Top graduating senior, College of Engineering

# The Water and Wastewater Market Opportunity is Large and Growing

Wastewater treatment, water re-use, and Wastewater-to-Energy is becoming increasingly more important as the world seeks to address a growing global water scarcity crisis

- 2.3 billion people live in water-stressed countries, of which 733 million live in high and critically water-stressed countries. (UN-Water, 2021)
- Global Water and Wastewater Treatment market is expected to grow at a CAGR of 5.4% from 2022 to-2032 to reach \$957B by 2032<sup>(1)</sup>
- EPA has assessed the need to spend >\$200B in municipal water and wastewater treatment plant upgrades over the next 20 years to meet required standards <sup>(2)</sup>
  - Estimated that the US makes up ~40% of global market <sup>(2)</sup>
- Global High-Strength Wastewater and Wastewater-to-Energy market sized estimated to be \$6B



	Wastewater		Water
Municipal	Decentralized wastewater & reuse <b>\$10B+ market</b> 303 MABR plants deployed <sup>(3)</sup> <b>100% proprietary tech</b>	Large plant new-build & upgrade <b>\$79B market</b> 28 MABR plants deployed serving 440K people <b>100% proprietary tech</b>	Decentralized drinking water <b>\$8B market</b> 48 plants deployed
Industrial		Hard-to-treat industrial wastewater & Wastewater-to-Energy <b>\$6B market <sup>(4)</sup></b> 42 plants deployed <b>Proprietary solution</b>	Industrial water <b>\$3B market</b> 328 plants deployed

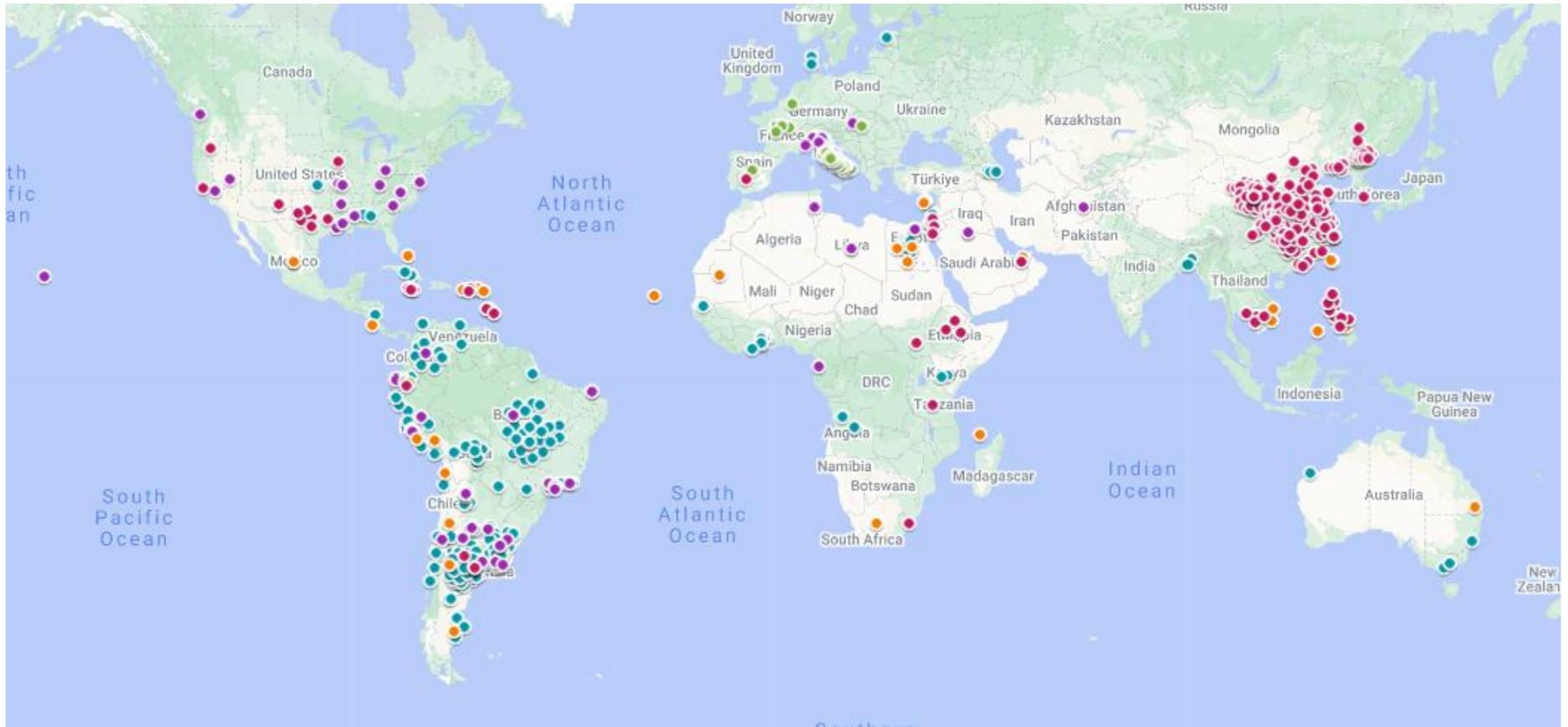
(1) Water and Wastewater Treatment Market by Type, Offering, Application, and Geography - Global Forecast to 2032; June 2023, Meticulous Research.  
 (2) US EPA.  
 (3) Plus 30 legacy technology wastewater treatment plants.  
 (4) Independent estimate.



# Proven and Established Products and Technologies

Trusted brand with extensive installation base with 877 installed plants across the world

TOTAL PLANTS: 842   ● MABR - 354   ● Anaerobic Digestion - 41   ● Other Wastewater - 80   ● NIROBOX - 34   ● Other Water - 368



*Excluding Aerators and Tipton sales*

# Leading ESG Impact in Water Treatment

## Sustainability Impact from Fluence's Installations

### MABR & NIROBOX

### Wastewater-to-Energy



**39 GWh / year**

in energy savings vs conventional technologies mitigates 27,300 Tons CO<sup>2</sup> / year



**182 GWh / year**

clean energy from biomass mitigates 128,600 Tons CO<sup>2</sup> / year

### Reuse

### Water

### Wastewater



**19Bn Liters Water Recycled / year**



**222Bn Liters Drinking Water Produced / year**



**320Bn Liters Wastewater Treated / year**

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

## Committed to UN Sustainable Development Goals

- Fluence technologies are highly energy efficient (MABR, desalination) and lower CO<sup>2</sup> and other harmful contaminants
- Fluence is committed to ESG and delivers on 10 of the 17 UN SDGs





[www.fluencecorp.com](http://www.fluencecorp.com)



**For further information, please contact:**

**Australia**

Andrew Angus  
Investor Relations  
E: [andrewangus@overlandadvisers.com.au](mailto:andrewangus@overlandadvisers.com.au)  
P: +61 402 823 757

**United States of America**

Thomas Pokorsky  
CEO and Managing Director  
E: [tpokorsky@fluencecorp.com](mailto:tpokorsky@fluencecorp.com)

**Canada**

Ben Fash  
CFO  
E: [bfash@fluencecorp.com](mailto:bfash@fluencecorp.com)

