

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Fluence Corporation Limited formerly known as Emefcy Group Limited

ABN

52 127 734 196

Quarter ended ("current quarter")

30th September 2017

Consolidated statement of cash flows	Current quarter US\$'000*	Year to date (9 months)** US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,690	8,006
1.2 Payments for		
(a) research and development	(368)	(606)
(b) product manufacturing and operating costs	*** (7,024)	(9,978)
(c) advertising and marketing	(940)	(1,222)
(d) staff costs	(5,034)	(7,077)
(e) administration and corporate costs	(5,426)	(8,277)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	17
1.5 Interest and other costs of finance paid	(27)	(32)
1.6 Income taxes paid	(325)	(328)
1.7 Government grants and tax incentives	(48)	(63)
1.8 Other (provide details if material)	(93)	(95)
1.9 Net cash from / (used in) operating activities	(11,581)	(19,655)

* 3rd Quarter Net Operating Cash Used was impacted by one-time merger transaction costs and the delay in the drawdown of a customer Letter of Credit in September which was subsequently received in October for \$3.1 million. An additional \$1.5 m was spent on building Nirobox component inventory for shipments in Q4 2017 and Q1 2018.

** Includes Fluence Corporation Limited numbers for 9 months and RWL Water numbers for 2 months (since July 31, 2017).

*** Represents only August and September collections for RWL Water

Consolidated statement of cash flows	Current quarter US\$'000*	Year to date (9 months)** US\$'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,041)	(1,656)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	5	5
(b) businesses (see item 10)		
(c) investments	196	196
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	***11,895	11,949
2.6 Net cash from / (used in) investing activities	11,055	10,494

* 3rd Quarter Net Operating Cash Used was impacted by one-time merger transaction costs and the delay in the drawdown of a customer Letter of Credit in September which was subsequently received in October for \$3.1 million. An additional \$1.5 m was spent on building Nirobox component inventory for shipments in Q4 2017 and Q1 2018.

** Includes Fluence Corporation Limited numbers for 9 months and RWL Water numbers for 2 months (since July 31, 2017).

*** RWL Water's cash balance on acquisition date, July 31, 2017.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	30,975	30,975
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	-	775
3.4 Transaction costs related to issues of shares, convertible notes or options	(535)	(541)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(30)	(30)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	61	65
3.10 Net cash from / (used in) financing activities	30,471	31,244

Consolidated statement of cash flows	Current quarter US\$'000*	Year to date (9 months)** US\$'000
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4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	15,372	22,986
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(11,581)	(19,655)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	11,055	10,494
4.4 Net cash from / (used in) financing activities (item 3.10 above)	30,471	31,244
4.5 Effect of movement in exchange rates on cash held	(218)	30
4.6 Cash and cash equivalents at end of quarter	45,099	45,099

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1 Bank balances	45,318	15,372
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)	(219)	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	45,099	15,372

6. Payments to directors of the entity and their associates	Current quarter US\$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	294
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Salaries, director's fees and consulting fees at normal commercial rates.
Excluding GST where applicable.

7. Payments to related entities of the entity and their associates	Current quarter US\$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	3,449	1,732
8.2 Bank Guarantees	4,054	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan facilities with banks in Italy, Israel and Argentina with interest rates varying from 1.6% to 6.6%. most loan facilities are unsecured. The company has bank guarantees in Italy and Israel. \$1,814K of these bank guarantees are secured. The interest charge for these bank guarantees varies between 0.1% and 5% per year.

9. Estimated cash outflows for next quarter*	US\$'000
9.1 Research and development	380
9.2 Product manufacturing and operating costs	**22,000
9.3 Advertising and marketing	1,000
9.4 Staff costs	7,800
9.5 Administration and corporate costs	4,900
9.6 Other (provide details if material)	***1,010
9.7 Total estimated cash outflows	37,090

* Estimated cash outflows do not include expected receipts from customers during the next quarter.

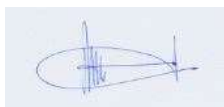
** Product manufacturing and operating costs represent project execution cost consistent with the expected ramp of revenues in Q4 2017 and Q1 2018

*** Anticipation to pay a Redeemable Note. For more details please refer to Notice of General Meeting and Proxy Form that was published on the ASX website on October 19 2015.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	RWL Water LLC	
10.2 Place of incorporation or registration	Delaware, USA	
10.3 Consideration for acquisition or disposal	Issue of 100.5 million fully paid ordinary shares in Fluence to RWL Water shareholder, RSL Investments.	
10.4 Total net assets	Not applicable	
10.5 Nature of business	Global provider of fast-to-deploy decentralized and packaged water, wastewater and reuse treatment solutions	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 30 October 2017

Print name: Ross Kennedy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.