

**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Appendix 4E**  
**31 December 2017**

**Name of entity:** Fluence Corporation Limited  
**ABN:** 52 127 734 196  
**Year ended:** 31 December 2017  
**Previous period:** 31 December 2016

**Results for announcement to the market**

				US \$'000
Revenue for ordinary activities	Up	4,077.1%	to	33,083
Loss after tax attributable to members	Up	160.0%	to	(23,568)
Net loss after tax (from ordinary activities) for the period attributable to owners of Fluence Corporation Limited	Up	145.2%	to	(24,385)

**Distributions**

No dividends have been paid or declared by the Group since the beginning of the current reporting period. No dividends were paid for the previous reporting period. The Group has no dividend reinvestment plan.

**Net tangible assets per security**

	31 December 2017	31 December 2016
Net tangible assets (per share)	\$0.11	\$0.09

**Explanation of results**

Consolidated revenue for the year was US\$33 million. Pro-forma full year aggregated revenue for the 2017 year (inclusive of RWL Group from 1 January 2017) was US\$58 million, which is associated with the 30 January 2018 business update provided to the market. The difference being the revenue earned by the RWL Water LLC Group in the seven months to 14 July 2017 of US\$25 million (i.e. the period prior to the merger being completed and which could not be included in the combined results).

The consolidated loss for the Company after income tax for the reporting period was US\$24 million (2016: loss of US\$9 million). There is no tax payable or refund due during the current reporting period (2016: Nil).

The financial report is presented in United States Dollars which is the Group's presentation currency.

Cash and cash equivalents at 31 December 2017 amount to US\$75 million (2016: US\$23 million).

As described in the ASX Appendix 4C December 2017 Quarterly Report, the increase included a change in classification of US\$43 million prepaid funds from a project in relation to Fluence Argentina into cash and cash equivalents from short term deposits.

As at 31 December 2017, the Group had borrowings of less than \$2 million.

Intangible assets at 31 December 2017 calculated in accordance with International Financial Reporting Standards amounted to US\$60 million (2016: US\$2 million) and included goodwill on the acquisition of the RWL Water LLC group of companies of US\$56 million. The goodwill reflects the significant value obtained through the acquisition including an extensive global operating footprint covering USA, South America, Europe and the Middle East; sales achieved to more than 70 countries; significant on-going distribution channels; an experienced workforce of water treatment professionals; and significant know-how in the design, construction and operation of water and wastewater treatment solutions, including Nirobox®, a containerized water desalination solution.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017 reflects the full twelve months results from the former Emefcy group and 5 and a half months from 14 July 2017 for the former RWL LLC Water group.

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Appendix 4E**  
**31 December 2017**  
(continued)

Based on the Company's 31 December 2017 backlog and pipeline of new tenders, the Company forecasts revenue for 2018 to increase significantly to between US\$105 million to US\$115 million. Visibility of forecast 2018 revenues is high, with almost 70% (US\$75 million) of the 31 December 2017 backlog of US\$95 million expected to be recognised in 2018.

The Appendix 4E financial report follows, with further details to be included in the audited financial statements to be released by 31 March 2018.

**Changes in controlled entities**

On 14 July 2017, Emefcy Group Limited acquired the RWL Water LLC group of companies to form Fluence Corporation Limited. The presentation currency for the Group is USD.

**Change in Company name**

On 14 July 2017, the Company changed its name from Emefcy Group Limited to Fluence Corporation Limited.

**Other information required by Listing Rule 4.3A**

N/A

**Audit**

These accounts are currently in the process of being audited. An Annual Report for the year ended 31 December 2017 containing the Audit Report shall be provided in due course.

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**Fluence Corporation Limited (formerly  
Emefcy Group Limited)**

ABN 52 127 734 196

**Appendix 4E  
Preliminary Final Report  
for the year ended 31 December 2017**

**Fluence Corporation Limited (formerly Emefcy Group Limited)** ABN 52 127 734 196  
**Preliminary Final Report - 31 December 2017**

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Corporate directory**

<b>Directors</b>	Mr Richard Irving <i>Executive Chairman</i>  Mr Ross Haghghat <i>Non-Executive Director</i>  Mr Peter Marks <i>Non-Executive Director</i>  Mr Robert Wale <i>Non-Executive Director</i>  Mr Henry Charrabe (appointed 14 July 2017) <i>Managing Director and CEO</i>  Dr Rengarajan Ramesh (appointed 14 July 2017) <i>Non-Executive Director</i>  Mr Arnon Goldfarb (appointed 19 September 2017) <i>Non-Executive Director</i>
<b>Company Secretary</b>	Mr Ross Kennedy
<b>Registered Office</b>	Level 3, 62 Lygon Street Carlton VIC 3053 Australia Phone: +61 (0)3 9824 5254 Fax: +61 (0)3 9822 7735
<b>Principal Place of Business</b>	10 Bank Street 8th Floor White Plains New York 10606 USA Phone: +1 212 572 5700
<b>Share Registry</b>	Boardroom Pty Ltd Level 12, 225 George Street, Sydney, New South Wales, 2000, Australia Phone: 1300 737 760 (local) Fax: +61 (0)2 9290 9600 (international)
<b>Auditors</b>	BDO East Coast Partnership Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008, Australia
<b>Solicitors</b>	Hall & Wilcox Lawyers Level 11, Rialto South Tower, 525 Collins Street, Melbourne, Victoria, 3000, Australia
<b>Bankers</b>	National Australia Bank (NAB) Melbourne, Victoria, Australia
<b>Securities Quoted</b>	<u><i>Australian Securities Exchange</i></u> - Ordinary Fully Paid Shares (Code: FLC)
<b>Website</b>	www.fluencecorp.com

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2017**

	<b>Consolidated entity</b>	
	31 December 2017	31 December 2016
Notes	\$'000	\$'000
<b>Revenues</b>		
Operating revenue	33,083	792
Other income	105	19
	<u>33,188</u>	<u>811</u>
<b>Expenses</b>		
Cost of sales	(27,230)	(2,007)
Research and development expenses	(5,970)	(2,045)
Sales and marketing expenses	(6,299)	(950)
General and administration expenses	(17,940)	(4,942)
Listing expense recognised on acquisition	-	(1,000)
Other gains/(loss) - net	(1,191)	1,080
Finance income/(costs) - net	2,561	(12)
<b>Loss before income tax</b>	<u>(22,881)</u>	<u>(9,065)</u>
Income tax expense	(687)	-
<b>Loss for the year</b>	<u>(23,568)</u>	<u>(9,065)</u>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Exchange differences on translation of foreign operations	(742)	(881)
Transactions with non-controlling interests	21	-
<b>Other comprehensive income / (loss) for the year net of tax</b>	<u>(721)</u>	<u>(881)</u>
<b>Total comprehensive loss for the year</b>	<u>(24,289)</u>	<u>(9,946)</u>
<b>Total comprehensive loss for the year is attributable to:</b>		
Owners of Fluence Corporation Limited	(24,385)	(9,946)
Profit/loss attributable to non-controlling interests	96	-
	<u>(24,289)</u>	<u>(9,946)</u>
<b>Losses per share for profit from continuing operations attributable to the ordinary equity holders of the Group:</b>		
Basic loss per share	4 (0.07)	(0.04)
Diluted loss per share	4 (0.07)	(0.04)

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes. All amounts are presented in US dollars unless stated differently.*

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2017**

	<b>Consolidated entity</b>	
	31 December 2017	31 December 2016
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	75,153	22,871
Restricted cash	1,674	19
Short term deposits	3,112	115
Trade and other receivables	26,684	712
Inventories	18,538	452
Prepayments	3,876	205
Other assets	2,873	-
<b>Total current assets</b>	<b>131,910</b>	<b>24,374</b>
<b>Non-current assets</b>		
Other receivables	260	50
Investments accounted for using the equity method	495	-
Deferred tax assets	1,921	-
Property, plant and equipment	7,114	1,039
Intangible assets	60,167	2,134
Other assets	2,790	-
<b>Total non-current assets</b>	<b>72,747</b>	<b>3,223</b>
<b>Total assets</b>	<b>204,657</b>	<b>27,597</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	55,522	1,495
Borrowings	1,145	-
Deferred revenue	38,173	-
Current tax liabilities	72	-
Other financial liabilities	1,000	1,000
<b>Total current liabilities</b>	<b>95,912</b>	<b>2,495</b>
<b>Non-current liabilities</b>		
Other payables	3,473	1,039
Deferred tax liabilities	1,671	-
<b>Total non-current liabilities</b>	<b>5,144</b>	<b>1,039</b>
<b>Total liabilities</b>	<b>101,056</b>	<b>3,534</b>
<b>Net assets</b>	<b>103,601</b>	<b>24,063</b>
<b>EQUITY</b>		
Contributed equity	156,898	53,129
Other reserves	(1,376)	(655)
Accumulated losses	(52,075)	(28,411)
	103,447	24,063
Non-controlling interests	154	-
<b>Total equity</b>	<b>103,601</b>	<b>24,063</b>

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes. All amounts are presented in US dollars unless stated differently.*

**Fluence Corporation Limited (formerly Emeffy Group Limited)**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2017**

<b>Consolidated entity</b>	<b>Contributed equity \$'000</b>	<b>Other reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2016</b>	<b>28,482</b>	<b>226</b>	<b>(19,346)</b>	<b>9,362</b>	<b>-</b>	<b>9,362</b>
Loss for the period	-	-	(9,065)	(9,065)	-	(9,065)
Other comprehensive profit / (loss)	-	(881)	-	(881)	-	(881)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(881)</b>	<b>(9,065)</b>	<b>(9,946)</b>	<b>-</b>	<b>(9,946)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of ordinary shares, net of transaction costs	22,946	-	-	22,946	-	22,946
Issue of options	1,701	-	-	1,701	-	1,701
<b>Balance at 31 December 2016</b>	<b>53,129</b>	<b>(655)</b>	<b>(28,411)</b>	<b>24,063</b>	<b>-</b>	<b>24,063</b>
<b>Balance at 1 January 2017</b>	<b>53,129</b>	<b>(655)</b>	<b>(28,411)</b>	<b>24,063</b>	<b>-</b>	<b>24,063</b>
Loss for the period	-	-	(23,664)	(23,664)	96	(23,568)
Other comprehensive profit / (loss)	-	(721)	-	(721)	-	(721)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(721)</b>	<b>(23,664)</b>	<b>(24,385)</b>	<b>96</b>	<b>(24,289)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of ordinary shares, net of transaction costs	101,538	-	-	101,538	-	101,538
Issue of options	2,231	-	-	2,231	-	2,231
Transactions with Non-controlling interests	-	-	-	-	58	58
<b>Balance at 31 December 2017</b>	<b>156,898</b>	<b>(1,376)</b>	<b>(52,075)</b>	<b>103,447</b>	<b>154</b>	<b>103,601</b>

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*



**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2017**

	<b>Consolidated entity</b>	
	31 December 2017 \$'000	31 December 2016 \$'000
<b>Cash flows from operating activities</b>		
Receipt from customers	25,915	284
Payments to suppliers and employees	(55,857)	(7,452)
Royalties paid to chief scientist office (Israel)	(67)	(12)
Receipt from restricted cash	261	13
Interest received	686	19
Interest and other costs of finance paid	(144)	-
Income taxes paid	(870)	-
<b>Net cash (outflow) from operating activities</b>	<b><u>(30,076)</u></b>	<b><u>(7,148)</u></b>
<b>Cash flows from investing activities</b>		
Payment for purchases of plant and equipment	(3,717)	(368)
Cash consideration of acquisition	-	(1,000)
Funds transferred to term deposit	-	(115)
Refund/ (Payment) of long term lease deposit	-	(47)
Proceeds from sale of property, plant and equipment	5	-
Proceeds from disposal of short-term deposits	646	-
Acquired as part of acquisition of RWL Water LLC	54,385	-
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>51,319</u></b>	<b><u>(1,530)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of ordinary shares	31,001	22,951
Proceeds from exercise of share options	808	-
Repayment of borrowings	(634)	-
Transactions costs related to issue of ordinary shares	(476)	(86)
<b>Net cash inflow from financing activities</b>	<b><u>30,699</u></b>	<b><u>22,865</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>51,942</b>	<b>14,187</b>
Cash and cash equivalents at the beginning of the financial year	22,871	8,479
Effects of exchange rate changes on cash and cash equivalents	340	205
<b>Cash and cash equivalents at end of year</b>	<b><u>75,153</u></b>	<b><u>22,871</u></b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## 1 Statement of significant accounting policies

### Corporate information

This Preliminary Financial Report covers the consolidated entity of Fluence Corporation Limited and its controlled entities (the 'Group' or 'Fluence'). The Group provides fast-to-deploy, decentralized and packaged water and wastewater treatment solutions.

The Group's Preliminary Financial Report does not include all the notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

### Basis of presentation

This Preliminary Financial Report has been prepared in accordance with the recognition and measurement requirements, but not all disclosure requirements, of the Australian Accounting Standards and Interpretations and the *Corporations Act 2001*. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards.

The financial results for the 12 months ended 31 December 2017 includes 12 months for Fluence Corporation Limited (previously Emefcy Group Limited) and 5 and a half months from 14 July 2017 for the acquired company, RWL Water LLC (see note 3 Business Combination).

The presentation currency adopted in the preparation of the preliminary financial report is United States Dollars.

The function currency of the Fluence Group is United States Dollars.

## 2 Segment information

During the current financial period, the Group acquired 100% of the shares in RWL Water LLC. For further details, refer to the Business combination note 3. Prior to the acquisition, the Group recognised its operations in Israel as an operating segment.

Post-acquisition, during the second half of the financial period, the Group conducted a review of internal reporting to the Managing Director and CEO (the Chief Operating Decision Maker (CODM)) and identified two primary reporting segments in assessing performance and determining the allocation of resources.

The revised segment disclosure replicates the manner in which the CODM monitors the business performance. Prior year comparatives have been restated so as to be presented in a consistent manner with the current year segment results.

The Group's operating segments are:

- Operating Units (OUs) - These are defined as operating entities within the Group that earn revenues and incur expenses that are being reviewed by the CODM and their discrete financial information is available. OUs' include Argentina, Italy, Israel, USA, China and Middle East within the Group. The OUs are aggregated into a single operating segment on the basis that the OUs are similar in each of the following respects:
  - nature of the products and services;
  - nature of the production processes;
  - type or class of customer for their products and services;
  - methods used to distribute their products or provide their services; and
  - nature of the regulatory environment
- Product and Innovation Group (P&I) - Defined as the Research and Development vehicle within the Group.

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Fluence Corporation Limited (formerly Emefty Group Limited)  
Notes to the Consolidated Financial Statements  
31 December 2017  
(continued)

2 Segment information (continued)

	Operating Units \$'000	Production and Innovation \$'000	Intersegment Elimination \$'000	Total \$'000
<b>2017</b>				
<b>Segment revenue</b>				
Operating revenue	33,850	1,097	(1,759)	33,188
Unallocated revenue - corporate	-	-	-	-
	<b>33,850</b>	<b>1,097</b>	<b>(1,759)</b>	<b>33,188</b>
<b>Segment expense</b>				
Segment depreciation and amortisation expense	(327)	(343)	-	(670)
Segment expense	(32,759)	(13,191)	3,621	(42,329)
Unallocated expenses - corporate	-	-	-	(13,757)
	<b>(33,086)</b>	<b>(13,534)</b>	<b>3,621</b>	<b>(56,756)</b>
<b>Segment results</b>	<b>764</b>	<b>(12,437)</b>	<b>1,862</b>	<b>(23,568)</b>
<b>Assets</b>				
Segment assets	164,172	6,687	(40)	170,819
Unallocated assets - corporate	-	-	-	33,838
	<b>164,172</b>	<b>6,687</b>	<b>(40)</b>	<b>204,657</b>
<b>Liabilities</b>				
Segment liabilities	(90,635)	(3,930)	281	(94,284)
Unallocated liabilities - corporate	-	-	-	(6,772)
	<b>(90,635)</b>	<b>(3,930)</b>	<b>281</b>	<b>(101,056)</b>
<b>2017</b>		<b>The Americas \$'000</b>	<b>Rest of the World \$'000</b>	<b>Total \$'000</b>
<b>Other information</b>				
External Sales Revenue		18,697	14,491	33,188
Property, plant and equipment		3,022	4,092	7,114
<b>2016</b>				
<b>Segment revenue</b>				
Operating revenue	-	792	-	792
Unallocated revenue - corporate	-	-	-	19
	-	<b>792</b>	-	<b>811</b>
<b>Segment expense</b>				
Segment depreciation and amortisation expense	-	(299)	-	(299)
Segment expense	-	(5,875)	-	(5,875)
Unallocated expenses - corporate	-	-	-	(3,702)
	-	<b>(6,174)</b>	-	<b>(9,876)</b>
<b>Segment result</b>	-	<b>(5,382)</b>	-	<b>(9,065)</b>

Fluence Corporation Limited (formerly Emefcy Group Limited)  
Notes to the Consolidated Financial Statements  
31 December 2017  
(continued)

**2 Segment information (continued)**

2016	Operating Units \$'000	Production and Innovation \$'000	Intersegment Elimination \$'000	Total \$'000
<b>Assets</b>				
Segment assets	-	11,412	-	11,412
Unallocated assets - corporate	-	-	-	16,185
	-	<b>11,412</b>	-	<b>27,597</b>
<b>Liabilities</b>				
Segment liabilities	-	(2,222)	-	(2,222)
Unallocated liabilities - corporate	-	-	-	(1,312)
	-	<b>(2,222)</b>	-	<b>(3,534)</b>
<b>2016</b>		The Americas \$'000	Rest of the World \$'000	Total \$'000
<b>Other information</b>				
External Sales Revenue		-	792	792
Property, plant and equipment		-	1,039	1,039
<b>Unallocated revenue</b>				
		<b>Consolidated entity</b>		
		31 December 2017 \$'000	31 December 2016 \$'000	
Unallocated Revenue		-		19
<b>Unallocated expenses</b>				
		<b>Consolidated entity</b>		
		31 December 2017 \$'000	31 December 2016 \$'000	
Other acquisition cash consideration		-		(1,000)
Other corporate expenses		(13,757)		(2,702)
		<b>(13,757)</b>		<b>(3,702)</b>
<b>Unallocated assets</b>				
		<b>Consolidated entity</b>		
		31 December 2017 \$'000	31 December 2016 \$'000	
Cash and cash equivalents		28,768		16,089
Other assets		5,070		96
		<b>33,838</b>		<b>16,185</b>

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Notes to the Consolidated Financial Statements**  
**31 December 2017**  
(continued)

**2 Segment information (continued)**

**Unallocated liabilities**

	<b>Consolidated entity</b>	
	31 December 2017 \$'000	31 December 2016 \$'000
Trade and other payables	(5,772)	(312)
Other liabilities	(1,000)	(1,000)
	<u>(6,772)</u>	<u>(1,312)</u>

**Intersegment transactions**

Intersegment transactions are made at market rates. Intersegment transactions are eliminated on consolidation.

**3 Business combination**

**(a) Summary of acquisition**

On 14 July 2017 (the 'Completion Date'), the Group completed the acquisition of RWL Water LLC ('RWL') from RSL Investments Corporation ('RSL') (the 'Transaction'). On 26 May 2017, the Emefcy Group Limited and RWL Water LLC announced a binding agreement to combine the two groups to form Fluence Corporation Limited (referred to hereafter as the 'Combined Group'). The acquisition created a global provider of innovative, decentralised water and wastewater treatment solutions for both municipal and industrial applications.

The acquirer assumed control of 100% of the acquired business with effect from 14 July 2017. The acquisition of RWL included the following transactions:

- Fluence acquired 100% of RWL interests for a consideration comprising the issue of 100.5 million fully paid ordinary shares ('Consideration shares') in Fluence to RSL.
- RSL is restricted from selling, transferring or otherwise disposing of any the Consideration Shares for two years commencing from the Completion Date according to conditions in the Share Purchase Agreement dated 26 May 2017.

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**Fluence Corporation Limited (formerly Emefcy Group Limited)**  
**Notes to the Consolidated Financial Statements**  
**31 December 2017**  
(continued)

**3 Business combination (continued)**

**(a) Summary of acquisition (continued)**

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$'000
Purchase consideration (refer to (b) below):	
Ordinary share issued (100,500,000 shares)	<u>65,828</u>
<b>Total purchase consideration</b>	<b><u>65,828</u></b>

The fair value of the ordinary shares issued was based on the listed share price of the Company at 14 July 2017 of \$0.655 USD per share.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	50,583
Restricted cash	1,683
Short term deposits	3,969
Trade and other receivables	26,642
Inventories	4,646
Prepayments	4,576
Other current assets	741
Intangible assets	1,225
PPE and other non-current assets (net)	9,304
Trade and other payables	(51,605)
Borrowings	(1,748)
Deferred revenues	(36,831)
Other non-current liabilities	<u>(3,650)</u>
<b>Net identifiable assets acquired</b>	<b>9,535</b>
Add: goodwill	56,293
<b>Net assets acquired</b>	<b>65,828</b>

The goodwill arising on consolidation is attributed to workforce, experience and working methods of the acquired Company, as well as other assets recognised as goodwill according to the requirements of *IFRS 3 - Business Combination*, such as developed technology, process knowledge, reference list and order backlog.

RWL contributed US\$32 million to Fluence Corporation Limited revenues (additional US\$1 million was contributed by Emefcy Group Limited) and US\$2 million to Fluence Corporation Limited net income post acquisition.

The proforma revenues and net loss presented below gives effect to the acquisition of RWL Water LLC Group as if the transaction had occurred on 1 January 2017:

	\$USD
Proforma	('000)
Revenues	58,030
Net loss	(29,214)

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### 3 Business combination (continued)

#### (b) Purchase consideration - cash outflow

##### Acquisition-related costs

Acquisition-related costs of US\$3 million that were not directly attributable to the issue of shares are included in general and administration in Consolidated Statement of Profit or Loss and in operating cash flows in the statement of cash flows.

### 4 Loss per share

#### (a) Basic loss per share

	<b>Consolidated entity</b>	
	31 December 2017	31 December 2016
	\$	\$
Loss attributable to the ordinary equity holders of the Group	(0.07)	(0.04)

#### (b) Diluted loss per share

	<b>Consolidated entity</b>	
	31 December 2017	31 December 2016
	\$	\$
Loss attributable to the ordinary equity holders of the Group	(0.07)	(0.04)

#### (c) Reconciliation of earnings used in calculating earnings per share

	<b>Consolidated entity</b>	
	31 December 2017	31 December 2016
	\$'000	\$'000
Loss attributable to the ordinary equity holders of the Group used in calculating basic earnings per share:		
From continuing operations	(23,568)	(9,065)

#### (d) Weighted average number of shares used as the denominator

	<b>Consolidated entity</b>	
	2017	2016
	Number	Number
<b>Weighted average number of ordinary shares used as the denominator in calculating basic loss per share</b>	<b><u>319,728,992</u></b>	<b><u>214,111,481</u></b>

### 5 Investments accounted for using the equity method

As of 31 December 2017, the Group holds 50% interest in E.T.G.R Water Infrastructure Management partnership and a 49% interest in RWL WATER MEXICO, S DE RL DE CV. These investments contributed \$29,000 to Fluence Corporation Limited net loss post acquisition, which is included in Other gains/(loss) - net in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

## **6 Commitments and Contingent Liabilities**

The Group is involved in litigation in the ordinary course of business.

## **7 Events occurring after the reporting period**

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the economic entity, the result of those operations or the state of affairs of the economic entity in subsequent financial years.

## **8 Audit**

This preliminary financial report is currently in the process of being audited. An Annual Report for the year ended 31 December 2017 containing the Audit Report shall be provided in due course.

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