

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

ABN

52 127 734 196

Quarter ended ("current quarter")

31th December 2019

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (12 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	17,760	60,635
1.2 Payments for		
(a) research and development	(574)	(2,220)
(b) product manufacturing and operating costs	(14,645)	(53,361)
(c) advertising and marketing	(1,286)	(3,934)
(d) staff costs	(6,009)	(25,722)
(e) administration and corporate costs	(3,146)	(11,147)
1.3 Dividends received (see note 3)		
1.4 Interest received	52	306
1.5 Interest and other costs of finance paid	(201)	(654)
1.6 Income taxes paid	(233)	(512)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	(1,031)*	(114)
1.9 Net cash from / (used in) operating activities	(9,313)	(36,723)

* Security collateral for a project.

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (12 months) US\$'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(231)	(1,092)
(b) businesses (see item 10)		
(c) investments, net	(5,016)*	(5,016)
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	67	2,443
(b) businesses (see item 10)		
(c) investments	167	998
(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 Construction of concession assets	(304)	(1,946)
2.6 Other (provide details if material)		(300)
2.7 Net cash from / (used in) investing activities	5,317	(4,913)

* Short-term deposit with four months maturity.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	26,092	26,092
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,128)	(1,128)
3.5 Proceeds from / (repayment of) borrowings	641	2,557
3.6 Transaction costs related to loans and borrowings		
3.7 Principal portion of lease liabilities	(440)	(1,849)
3.8 Other (provide details if material)		
3.9 Net cash from / (used in) financing activities	25,165	25,672

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
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	10,996	38,741
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,313)	(36,723)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,317)	(4,913)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25,165	25,672
4.5	Effect of movement in exchange rates on cash held	377	(869)
4.6	Cash and cash equivalents at end of quarter	21,908	21,908

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	21,942	10,963
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	(34)	33
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21,908	10,996

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	360
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Salaries and director's 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	52,393	2,907
8.2 Bank Guarantees	1,519	-
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.		

The company has loan facilities in place with banks in Italy and Brazil with interest rates varying from 1.35% to 15%. The majority of these loans are unsecured. The company has bank guarantees in place in Italy and Israel. Approximately \$0.2m of these bank guarantees are secured and the interest charges for these guarantees vary between 1.5% and 2.5% of the guaranteed amount per year.

In March 2019, the Company drew down for the first time on its US\$50 million non-recourse debt facility with Generate Capital which was put in place to fund its Build, Own, Operate & Transfer (BOOT) projects. The facility includes customary terms for such non-recourse financing facilities (including variable interest rates) based on the scope and location of specific project.

9. Estimated cash outflows for next quarter*	US\$'000
9.1 Research and development	(519)
9.2 Product manufacturing and operating costs	(17,949)
9.3 Advertising and marketing	(809)
9.4 Staff costs	(6,601)
9.5 Administration and corporate costs	(1,832)
9.6 Other (provide details if material)	(100)
9.7 Total estimated cash outflows	*(27,810)

* Estimated cash outflows for the next quarter are anticipated to be funded from expected customer receipts of \$22.0 million and available cash balances. Refer to the accompanying business update for further commentary.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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:



Date: 31 January 2020

Company secretary

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.