



## Fluence Upsizes Existing Upwell Facility; MABR Plant Sales Surpass 300

10 December 2021

- Additional US\$10M to fund pipeline of recurring revenue projects and working capital
- Brings existing Upwell facility to US\$30M
- With recent MABR orders, total MABR plants sold to date have surpassed 300

Fluence Corporation (ASX:FLC) is pleased to announce that it has secured a US\$10M increase to its existing debt facility from Upwell Water LLC (“Upwell”). The proceeds of upsizing (contemplated when the initial US\$20M facility closed in July 2020) will be utilized to finance recurring revenue projects and working capital. The hybrid facility is initially fully drawn down as a term loan, the proceeds of which can be used as working capital or to finance future projects in the pipeline. As recurring revenue projects are won, approximately 70% of the capital cost of each project would be reclassified from the term loan to project finance loans, reducing the principal of the term loan. The project loans are repaid utilizing the cash flows generated from the projects over the duration of the applicable project with a maturity date some 8-10 years into the future.

The principal terms of the facility following the upsize remain unchanged other than:

- extending the maturity date for the term loan (applicable to any amounts that are not migrated to project loans) by one year from July 2023 to July 2024; and
- adding an incentive for Fluence to secure recurring revenue projects before term loan maturity. To the extent less than \$25.0M is converted to recurring revenue project loans, such shortage will be subject to pro rata additional loan costs capped at \$2.9M (in the event none of the term loan is converted to project loans).

The Company is also proud to announce that with the recent Cambodia and China contract awards, Fluence has now surpassed more than 300 MABR plants sold worldwide. With capacities ranging from a cluster of homes to city-scale, the plants in service have total wastewater treatment capacity for up to 1.4 million people in 15 countries.

Commenting on their expanded relationship with, and support of, Fluence, Upwell CEO Tamin Pechet said: “Fluence has continued to demonstrate the value of its rapidly-deployed treatment technology to customers. Upwell Water is happy to support the broad adoption of Fluence’s decentralized treatment solutions.”

Fluence Chairman and Chief Executive Officer Richard Irving remarked: “We are extremely proud to have surpassed 300 MABR plant sales. This represents very rapid uptake of our proprietary MABR technology in a very conservative industry, driven by our MABR’s ability to meet high treatment standards at the lowest total cost of ownership and energy use. Recent orders in Asia which are now being executed, contribute to working capital needs. In addition, we anticipate that continued growth of recurring revenue projects in the Caribbean and elsewhere will drive the need for further project financing. We are pleased that Upwell has increased our facility to ensure proper financing of both. Given we have two and a half years to secure additional projects prior to term loan maturity, we anticipate that a major part if not all of the funds will migrate from term loans to project finance loans. Upon such successful reclassification, Fluence will be in a position to prolong repayment of the facility using recurring revenue generated from projects rather than repaying working capital from our balance sheet.”

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This announcement is authorised for lodgement on the ASX by Richard Irving, Chairman & CEO, Fluence Corporation Limited.

**About Fluence Corporation Limited (ASX: FLC)**

Fluence is a leader in the decentralized water, wastewater and reuse treatment markets, with its pre-engineered, standardized Smart Products Solutions, including Aspiral™, NIROBOX™ and SUBRE. In addition to rapid delivery and commissioning of decentralized solutions to meet a broad range of needs, Fluence offers ongoing operation and maintenance support, as well as Build Own Operate Transfer (BOOT) and other recurring revenue solutions. Fluence has a broad international footprint and focuses on high growth markets including China, the Middle East, Southeast Asia, and North America. Further information can be found at <https://www.fluencecorp.com/>

**About Upwell Water LLC**

Upwell Water is a leading tech-enabled water resource and infrastructure company that owns operating and new-build water assets across the water cycle, from new supply to conveyance to treatment and efficient use. The firm aims to ensure a sustainable water future by eliminating capital barriers to the adoption of water solutions, and anticipates deploying \$1 billion USD in near-term capital.

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Further information can be found at [www.water.llc](http://www.water.llc).

### **Forward looking statements**

“This quarterly business update contains “forward-looking” statements. Forward looking words, such as “expect”, “anticipate”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this update are based on estimates and assumptions related to future business, contractual, economic, market, political and other conditions that, while Fluence considers them to be reasonable, are inherently subject to significant uncertainties, contingencies and (potentially) delays.

Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to operating, competition and development risks, economic and political risks, economic uncertainty associated with COVID-19, and a number of other risks and also include unanticipated and unusual events, many of which are beyond Fluence's ability to control or predict.

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