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# Q4 and FY2022 Update

Fluence Corporation (ASX:FLC)

30 January 2023

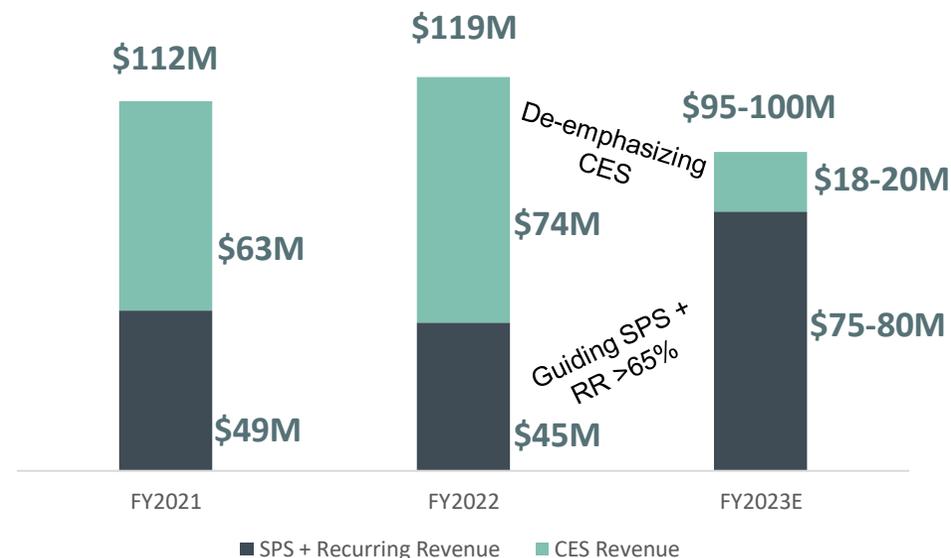
# Q4 and FY2022 Highlights

All numbers are subject to audit



- **FY2022 EBITDA<sup>1</sup> of \$2.3M versus adjusted guidance of \$2M** – up substantially over FY 2021 EBITDA of \$0.1M
- **Q4 Revenues of \$25.9M; FY 2022 Revenue of \$119.1M up 7% over FY2021** - below adjusted guidance of \$123M
- **SPS revenues for FY 2022 were \$35.2M** - below adjusted guidance of \$38M due to Covid-related business slowdown in China
- **Recurring revenues in FY2022 were \$9.7M up 43% from FY2021**
- **Operating Cashflow Positive \$3.9M in Q4 2022** – Overall negative \$20.5M for FY 2022, in-line with expectations
- **Net Cash Position of \$30.9M** - in addition to \$13.6M in short and long-term deposits provides adequate operating reserves

## Focus on High Margin Core Revenue Growth



**FY2023 guidance: combined SPS and Recurring revenue up more than 65% or \$75-80M and EBITDA to increase more than 70% to \$4M**

<sup>1</sup> Underlying EBITDA excludes any significant one-off items.  
All numbers in presentation are USD unless otherwise stated.

# Progress on Strategic Priorities Drives FY2023 Outlook



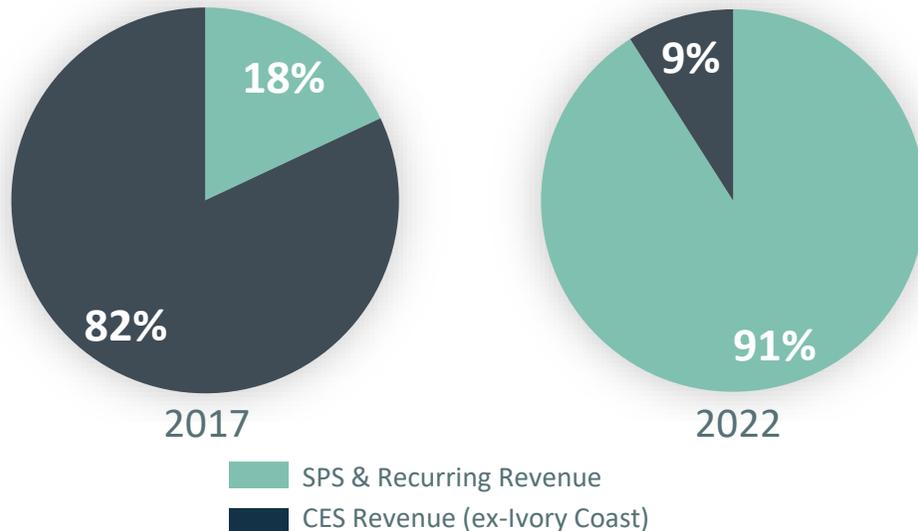
Priority	Progress
<b>Streamline and upgrade organization</b>	<ul style="list-style-type: none"> <li>▪ \$3-4M reduction in opex</li> <li>▪ North American core sales team on board</li> <li>▪ New CFO on board – strong track record with CEO</li> </ul>
<b>Diversify SPS revenue</b>	<ul style="list-style-type: none"> <li>▪ Strong pipeline growth in Americas and SE Asia</li> <li>▪ Key first wins in Taiwan, Korea and new sector in Cambodia</li> </ul>
<b>Build recurring revenue business</b>	<ul style="list-style-type: none"> <li>▪ 43% growth in FY2022 including BOO plant in Caribbean, China, and Americas</li> <li>▪ Strong, diverse pipeline for FY2023</li> <li>▪ Mix of Build-Own-Operate, O&amp;M and aftermarket parts and supplies</li> </ul>
<b>Execute Ivory Coast project</b>	<ul style="list-style-type: none"> <li>▪ 91% of revenue recognized</li> <li>▪ Wrap up project in 2023 with commissioning anticipated in Q3 2023</li> </ul>

**Deliver Ivory Coast while driving strong growth in high-margin SPS and Recurring revenue**

# Fluence: Fast To Deploy, Profitable Water Solutions



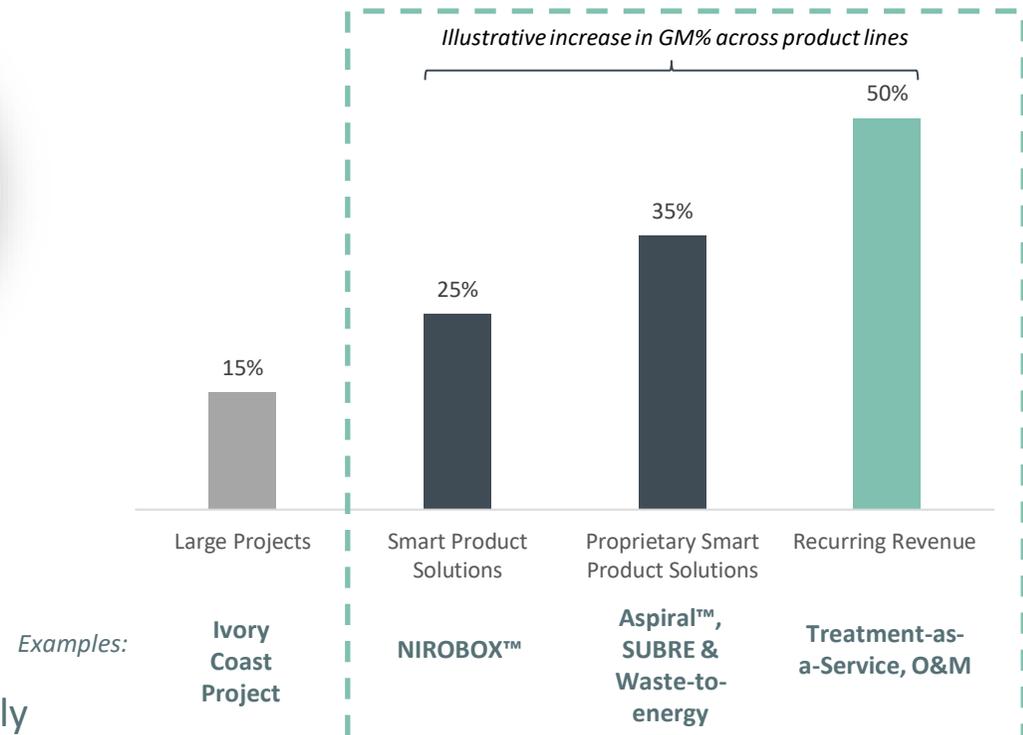
Mix Has Shifted To Core Revenues ex-Ivory Coast



## Stronger Focus on SPS and Recurring Revenue Growth

- + 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

Transition To Higher Margin Revenue



## De-emphasizing Custom Engineered Solutions (CES):

- Lower margins
- Lumpy, irregular contracts
- Selectively consider only CES projects which utilize Fluence proprietary technology

# Leading ESG Impact in Water Treatment

Water Sector Emissions: 1.8% of Global CO<sub>2</sub>, 4.6% of Global Methane  
Existing Fluence Plants Mitigate The Equivalent of 241K tons of CO<sub>2</sub>/year

## Committed to UN SDGs

- Fluence technologies are highly energy efficient (MABR, desalination) and lower CO<sub>2</sub> and other harmful contaminants
  - Many wastewater treatment technologies emit Nitrous Oxide (N<sub>2</sub>O): 300x worse than CO<sub>2</sub> – Fluence MABR emits nitrogen: **installed systems currently save 306 tons/year of N<sub>2</sub>O emissions, equivalent to 91,800 tons of CO<sub>2</sub>**
  - A decentralized approach using Fluence MABR to solve the world's wastewater needs would result in increased access to clean water and wastewater → **Potential annual energy savings of 2 TWh, equivalent to 150 million tons CO<sub>2</sub>**
  - Waste-to-energy form industrial wastewater mitigates a further 128,600 tons CO<sub>2</sub>/year**
- Fluence is committed to ESG and delivers on 10 of the 17 UN SDGs



## Sustainability Impact from Fluence's Installations

### MABR & NIROBOX



**29 GWh / year**  
*in energy savings vs  
conventional technologies  
mitigates 20,200 Tons CO<sub>2</sub>/year*

### Wastewater-to-Energy



**182 GWh / year**  
*clean energy from biomass  
mitigates 128,600 Tons CO<sub>2</sub>/year*

### Reuse



**17Bn Liters Water  
Recycled / year**

### Water



**158Bn Liters  
Drinking Water  
Produced / year**

### Wastewater



**253Bn Liters  
Wastewater  
Treated / year**

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

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2022 consolidated financial figures presented on IFRS basis are unaudited and subject to change.



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