



AGM Chairman's Presentation

24 May 2023

Ladies and Gentlemen

Welcome to the 2023 Fluence annual shareholders meeting. I'm Doug Brown, Chairman of the Board since March 23 of this year.

What you will learn about me is that I'm straight and to the point. It is clear to me that historically, Fluence has not met investors expectations with its financial performance. The question is why, given that in my opinion the company has some very competitive products and very strong technology in several areas.

Three years ago, Fluence's Board made a hugely important decision. The existing management team was not delivering the results that the Board or the stock market expected and it was clear a new team needed to be put in place.

They brought in Richard Irving as CEO, who achieved positive EBITDA in 2020 and 2021 for the first time in the company's history. Richard also recognized the need to upgrade the management team with individuals with deep water industry experience:

- Dec 2021 – Richard hired Rick Cisterna as Chief Strategy Officer to take over the sales and marketing. Rick has over 30 years in management positions in the water and wastewater treatment industries.
- March 2022 – Tom Pokorsky was brought in as CEO. Tom has over 35 years in executive roles in the water and wastewater treatment industries and has founded several companies and taken over poorly performing companies and successfully turned them around. Tom has driven the organizational shift from geography to product lines and added a US sales team, expanding sales reach while reducing operating costs.
- May 2022 – I joined as a Special Advisor to the Board to advise on strategic matters and assist in developing a turnaround plan for the Company. In March of this year, I was appointed as Chairman of the Board. I have over 30 years in the water treatment industry. My history includes being CEO of Ionics, a NYSE listed water treatment company. It was a turnaround situation where the investors made about a 3x return during my 2 year tenure there. I sold Ionics to GE for \$1.3 billion in January of 2005. I also founded and was CEO of AquaVenture holdings – also listed on the NYSE – which I sold to Culligan and Morgan Stanley for \$1.2 billion. My history has focused on building businesses with highly profitable recurring revenues, and this is what I intend to do at Fluence working with Tom and his team.
- January 2023 – Ben Fash was hired as CFO after he had a successful career also working as CFO on water treatment company turnarounds including with Tom at Newterra in the wastewater processing business.

All four of us have had deep experience turning around underperforming businesses. We have a good handle on what's required.

What impressed me and what motivated me to get involved in Fluence was its sound technology base. In the wastewater treatment and reuse space, its proprietary spiral wound membranes have significant competitive advantages over alternative technologies.

I was surprised to learn that Fluence has installed over 340 of these plants worldwide.

They also have a very strong technology base in anaerobic digesters which is a central processing step in wastewater to energy plants. I was also surprised to learn that Fluence has installed over 40 wastewater to energy and high strength wastewater plants around the world.

Finally in industrial water supply and desalination the company has installed almost 380 plants.

The total worldwide installed base is really quite impressive with over 800 plants installed. So what is the problem?

In addition to the management shortcomings, a key contributor to the poor historical performance was an inefficient company structure. The company had less than \$150 million in revenue but had 13 P&L's down to the EBITDA level. The business units were organized around geography. There was little communication or cooperation between the business units and no cross-selling. With 13 P&L's, SG&A was way too high. As a result, the first thing Tom did as the new CEO was to restructure the company around 4 primary product lines and add a senior sales team in the US. Cross-selling is now happening in a big way. SG&A has been reduced considerably. Tom will provide more details shortly

A second emphasis for the new team is a revamped Fluence sales strategy. Instead of focusing on large custom engineering, procurement, and construction projects (or EPC projects as they are known), we are increasing our emphasis on standardized products based on our core technologies. These Smart Product Solutions offer higher margins than Custom Engineered Solutions. We are also looking to develop more projects with contracts which generate recurring revenue. In the long-term, these would be projects where Fluence owns the assets and operates them to provide a water or wastewater services to our customers. This will require broader access to the capital markets to support this business which we hope to develop. In the near term, we are looking to build our operating and maintenance activities which requires much less capital but offers a strong recurring revenue stream. With over 800 Fluence constructed plants around the world, it represents a large potential market for approaching existing customers and offering O&M services. Initial responses from our customers have been quite encouraging.

On a personal note, I am someone who focuses on generating shareholder value. Through my career, over 90% of my total income has been generated from equity appreciation. I purchased approximately 2% of the company using my own cash at A\$0.21/share. I was awarded another 2% of the company in stock options at a 10% premium to then traded stock price. Those options only have value if Fluence's stock price appreciates. I point this out so that you can have confidence that I'm focused on taking those actions which will create shareholder value. Tom will go into greater detail regarding our operations. But first, I would like to conclude by expressing my confidence that we can successfully turn the company around and start producing reliable profits and positive cash flow. It will take some time, but we will get there.

Thank you for your patience and support.

-ENDS

For further information, please contact:

Australia:

Andrew Angus
Investor Relations
E: andrewangus@overlandadvisers.com.au
P: +61 402 823 757

United States of America:

Tom Pokorsky
CEO & Managing Director
E: tpokorsky@fluencecorp.com

About Fluence Corporation Limited (ASX: FLC)

Fluence is a leader in Wastewater Treatment and Reuse, High-Strength Wastewater Treatment, Wastewater-to-Energy, Industrial and Drinking Water markets, with its pre-engineered, standardized Smart Products Solutions (SPS), including Aspiral™, NIROBOX™, SUBRE and Nitro. In addition to rapid delivery and commissioning of solutions to meet a broad range of needs from smaller communities to city-scale systems, Fluence offers ongoing operation and maintenance support, Build Own Operate (BOO) and other recurring revenue solutions. Fluence has a broad international footprint and focuses on high growth markets including North America and South East Asia.

Further information can be found at <https://www.fluencecorp.com/>

USA

7135 Madison Avenue West
Minneapolis, MN 55427
Phone: +1-763-746-8400
Facsimile: +1-763-746-8408

Fluence Corporation Limited

ABN: 52 127 734 196
www.fluencecorp.com

AUSTRALIA

Level 4, 96-100 Albert Road
South Melbourne, Victoria 3205
Phone: + 61 3 9692 7222
Facsimile: + 61 3 9077 9233
