

Fluence Corporation Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Fluence Corporation Limited
ABN:	52 127 734 196
Reporting period:	For the year ended 31 December 2024
Previous period:	For the year ended 31 December 2023

2. Results for announcement to the market

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

				US \$'000
Revenue for ordinary activities	down	(26.5%)	to	51,495
Loss from ordinary activities after tax attributable to the Owners of Fluence Corporation Limited	up		to	
		33.7%		(21,401)
Loss for the full-year attributable to the Owners of Fluence Corporation Limited	up	33.7%	to	(21,401)

Distributions

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.85)</u>	<u>0.73</u>

4. Explanation of results

In FY 2024, Fluence continued to execute its renewed strategy of shifting focus to high-margin SPS and Recurring Revenue through its realigned and product-focused business units while transitioning away from low-margin CES projects. While the Company largely executed on that strategy, delays on the Ivory Coast Addendum project and weakness in China derailed the overall financial and operating performance of the Company. The Company met revised guidance with FY 2024 revenue of \$51.5 million and EBITDA loss of \$4.0 million. Revenue was 26.5% lower than FY 2023 primarily due to continued delays in commencing work on the Ivory Coast Addendum project and market weakness in China.

Despite the reduction in consolidated revenue, there were some positive stories to share when it comes to revenue growth. When adjusting for the impact of Ivory Coast and SEA & China, revenue grew by \$6.5 million or 18.8% compared to FY 2023. Further, Q4 2024 revenue of \$21.2 million was more than double any other single quarter in FY 2024 which drove strong EBITDA profitability for the quarter. Recurring Revenue also continued to grow, increasing by \$2.9 million or 30.5% compared to FY 2023.

The shift in focus toward our SPS and Recurring Revenue products and services is having the desired effect of improving gross margins, which has seen an increase to 29.4%¹ in FY 2024 (up 2.2% vs. FY 2023).

The Company continued to reduce research and development, general and administrative, and sales expenses collectively, ("SG&A and R&D") by \$2.6 million² in 2024 reflecting the impact of the restructuring announced in Q4 2023.

The consolidated loss from continuing operations for the Company after income tax for the reporting period was \$21.4 million. Profit from discontinued operations for the reporting period was \$0.1 million. Refer to note 5 "Discontinued operations" for detailed information on the effect of discontinued operations on the Company's financial results.

Cash and cash equivalents at 31 December 2024 amounted to \$8.9 million. In addition, other financial assets at 31 December 2024 included short-term and long-term deposits of \$3.6 million.

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As at 31 December 2024, the Company had borrowings of \$20.1 million, representing a net debt of \$11.1 million. The Appendix 4E financial report follows, with further details to be included in the audited financial statements to be released by 31 March 2025.

¹ The gross margin of 29.4% includes an adjustment for the IFRC12 concession asset revenue; excluding this adjustment, the company had a gross margin of 30.1%, according to management presentations.

² SG&A and R&D in FY 2023 excludes the reversal of the Chief Scientist liability of \$2.6 million.

5. Other information required by Listing Rule 4.3A

N/A

6. Audit

The Financial Report is currently in the process of being audited. The Annual Report for the year ended 31 December 2024 containing the Audit Report shall be provided in due course.

Fluence Corporation Limited
Appendix 4E
31 December 2024

ABN 52 127 734 196

Fluence Corporation Limited

Appendix 4E Preliminary Financial Report
for the year ended 31 December 2024

Fluence Corporation Limited
Corporate directory
31 December 2024

Directors	Mr Doug Brown <i>Chairman</i>
	Mr Thomas Pokorsky <i>CEO and Managing Director</i>
	Mr Paul Donnelly <i>Lead Independent Director, Non-Executive Director</i>
	Mr Mel Ashton <i>Non-Executive Director</i>
	Mr Nikolaus Oldendorff (appointed 22 April 2024) <i>Non-Executive Director</i>
	Mr Richard Irving (until 10 October 2024) <i>Non-Executive Director</i>
	Mr Ross Haghighat (until 10 October 2024) <i>Non-Executive Director</i>
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 96-100 Albert Road South Melbourne VIC 3205 Australia Phone: +61 (0)3 9692 7222 Fax: +61 (0)3 9692 7222
Principal place of business	3600 Holly Lane, Suite 100 Plymouth MN 55447 United States of America Phone: +1 800.879.3677
Share register	Boardroom Pty Ltd Level 8, 210 George Street, Sydney, New South Wales, 2000, Australia Phone: 1300 737 760 (local) Fax: +61 (0)2 9290 9600 (international)
Auditor	BDO Audit Pty Ltd Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008, Australia
Solicitors	Lander & Rogers Lawyers Level 12, Bourke Place, 600 Bourke Street Melbourne, Victoria, 3000, Australia
Bankers	HSBC Bank Australia Limited Melbourne, Victoria, Australia
Stock exchange listing	Fluence Corporation Limited shares are listed on the Australian Securities Exchange (ASX code: FLC)
Website	https://www.fluencecorp.com/investor-news/

Fluence Corporation Limited
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Fluence Corporation Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

		Consolidated	
	Note	31 December 2024	31 December 2023
		USD \$'000	USD \$'000
Revenue from continuing operations	3	51,495	70,037
Other income		-	8
Expenses			
Cost of sales		(36,334)	(50,960)
Research and development expenses		(1,988)	(171)
Sales and marketing expenses		(5,806)	(6,620)
General and administration expenses		(15,965)	(16,501)
Other losses	4	(10,499)	(6,459)
Finance costs		(2,816)	(5,678)
Loss before income tax benefit from continuing operations		(21,913)	(16,344)
Income tax benefit		170	1,027
Loss after income tax benefit from continuing operations		(21,743)	(15,317)
Profit/(loss) after income tax expense from discontinued operations	5	90	(667)
Loss after income tax benefit/(expense) for the year		(21,653)	(15,984)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(333)	(1,466)
Other comprehensive income for the year, net of tax		(333)	(1,466)
Total comprehensive income for the year		<u>(21,986)</u>	<u>(17,450)</u>
Other comprehensive income for the year:			
From continuing operations		(500)	(1,394)
From discontinued operations		167	(72)
		<u>(333)</u>	<u>(1,466)</u>
Loss for the year is attributable to:			
Non-controlling interest		(252)	28
Owners of Fluence Corporation Limited		(21,401)	(16,012)
		<u>(21,653)</u>	<u>(15,984)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(305)	63
Discontinued operations		53	(35)
Non-controlling interest		(252)	28
Continuing operations		(21,938)	(16,774)
Discontinued operations		204	(704)
Owners of Fluence Corporation Limited		(21,734)	(17,478)
		<u>(21,986)</u>	<u>(17,450)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

		31 December	31 December
		2024	2023
	Note	US Dollars	US Dollars
Earnings per share for loss from continuing operations attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	6	(0.0199)	(0.0218)
Diluted earnings per share	6	(0.0199)	(0.0218)
Earnings per share for profit/(loss) from discontinued operations attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	6	-	(0.0009)
Diluted earnings per share	6	-	(0.0009)
Earnings per share for loss attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	6	(0.0198)	(0.0227)
Diluted earnings per share	6	(0.0198)	(0.0227)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Consolidated statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 December 2024	31 December 2023
		USD \$'000	USD \$'000
Assets			
Current assets			
Cash and cash equivalents		8,945	24,635
Trade and other receivables		38,902	35,296
Concession arrangement assets		271	271
Inventories		5,797	5,690
Other financial assets		26	3,645
Other assets		229	407
Prepayments		2,647	2,513
		<u>56,817</u>	<u>72,457</u>
Assets directly associated with assets classified as held for sale		-	1,839
Total current assets		<u>56,817</u>	<u>74,296</u>
Non-current assets			
Concession arrangement assets		2,499	2,770
Investments accounted for using the equity method		311	332
Property, plant and equipment		8,006	8,146
Intangible assets		970	1,140
Deferred tax		1,893	1,968
Other assets		39	136
Long-term deposits		3,576	4,340
Total non-current assets		<u>17,294</u>	<u>18,832</u>
Total assets		<u>74,111</u>	<u>93,128</u>
Liabilities			
Current liabilities			
Trade and other payables and other liabilities	7	34,799	32,363
Borrowings	8	3,171	15,752
Lease liabilities		478	977
Provisions		3,126	4,490
Current tax liabilities		90	714
Contract liabilities		21,486	22,130
		<u>63,150</u>	<u>76,426</u>
Liabilities directly associated with assets classified as held for sale		-	1,127
Total current liabilities		<u>63,150</u>	<u>77,553</u>
Non-current liabilities			
Borrowings	8	17,500	2,085
Lease liabilities		297	496
Deferred tax		33	46
Provisions		468	505
Contract liabilities		154	226
Total non-current liabilities		<u>18,452</u>	<u>3,358</u>
Total liabilities		<u>81,602</u>	<u>80,911</u>
Net (liabilities)/assets		<u>(7,491)</u>	<u>12,217</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Consolidated statement of financial position
As at 31 December 2024

	Consolidated	
Note	31 December 2024	31 December 2023
	USD \$'000	USD \$'000
Equity		
Contributed equity	232,614	232,313
Reserves	(1,608)	(3,252)
Accumulated losses	(236,279)	(214,878)
(Deficiency)/equity attributable to the Owners of Fluence Corporation Limited	(5,273)	14,183
Non-controlling interest	(2,218)	(1,966)
Total (deficiency)/equity	<u>(7,491)</u>	<u>12,217</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Consolidated statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital USD \$'000	Reserves USD \$'000	Retained profits USD \$'000	Non-controlling interest USD \$'000	Total equity USD \$'000
Balance at 1 January 2023	207,443	(3,667)	(198,866)	(1,994)	2,916
Profit/(loss) after income tax benefit for the year	-	-	(16,012)	28	(15,984)
Other comprehensive income for the year, net of tax	-	(1,466)	-	-	(1,466)
Total comprehensive income for the year	-	(1,466)	(16,012)	28	(17,450)
<i>Transactions with Owners in their capacity as Owners:</i>					
Issue of ordinary shares, net of transaction costs	24,870	-	-	-	24,870
Share-based payments	-	1,881	-	-	1,881
Balance at 31 December 2023	232,313	(3,252)	(214,878)	(1,966)	12,217

Consolidated	Issued capital USD \$'000	Reserves USD \$'000	Retained profits USD \$'000	Non-controlling interest USD \$'000	Total deficiency in equity USD \$'000
Balance at 1 January 2024	232,313	(3,252)	(214,878)	(1,966)	12,217
Loss after income tax benefit for the year	-	-	(21,401)	(252)	(21,653)
Other comprehensive income for the year, net of tax	-	(333)	-	-	(333)
Total comprehensive income for the year	-	(333)	(21,401)	(252)	(21,986)
<i>Transactions with Owners in their capacity as Owners:</i>					
Issue of ordinary shares, net of transaction costs	301	(317)	-	-	(16)
Share based payments	-	2,294	-	-	2,294
Balance at 31 December 2024	232,614	(1,608)	(236,279)	(2,218)	(7,491)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Consolidated statement of cash flows
For the year ended 31 December 2024

	Consolidated	
	31 December 2024	31 December 2023
	USD \$'000	USD \$'000
Cash flows from operating activities		
Receipt from customers	44,194	79,255
Payments to suppliers and employees	(61,168)	(92,344)
Interest received	168	248
Interest and other costs of finance paid	(2,473)	(5,950)
Income taxes paid	(839)	(247)
	<u>(20,118)</u>	<u>(19,038)</u>
Net Cash flows from operating activities		
Cash flows from investing activities		
Payment for purchases of plant and equipment	(1,691)	(1,758)
Proceeds from sale of plant and equipment	139	53
Proceeds from sale of Aeromix	1,837	-
Proceeds from release of security deposits	3,802	6,122
	<u>4,087</u>	<u>4,417</u>
Net Cash flows from investing activities		
Cash flows from financing activities		
Proceeds from issues of ordinary shares	-	26,628
Proceeds from borrowings	20,000	-
Repayment of borrowings	(17,729)	(13,414)
Repayment of lease liabilities	(1,036)	(1,381)
Transaction costs related to issue of ordinary shares	(16)	(1,758)
	<u>1,219</u>	<u>10,075</u>
Net Cash flows from financing activities		
Net (decrease) in cash and cash equivalents	(14,812)	(4,546)
Cash and cash equivalents at the beginning of the financial year	24,635	30,936
Effects of exchange rate changes on cash and cash equivalents	(878)	(1,755)
	<u>8,945</u>	<u>24,635</u>
Cash and cash equivalents at the end of the financial year	<u><u>8,945</u></u>	<u><u>24,635</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. Statement of significant accounting policies

(a) Corporate information

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

The Company's Preliminary Financial Report does not include all the notes normally included in an Annual Financial Report. Accordingly, it 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.

(b) Basis of preparation

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 presentation currency adopted in the preparation of the Preliminary Financial Report is United States Dollars.

(c) Comparatives

The comparative figures in note 2 'Segment information' have been adjusted to conform with the cost presentation adopted by management in 2024.

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Note 2. Segment information

The Company identified seven primary reporting segments based on the internal reports that are reviewed by the Managing Director and Chief Executive Officer (who is identified as the Chief Operating Decision Maker ("CODM")). The internal reports reviewed by the CODM assess performance and determine the allocation of resources.

The segment note reporting segments have been revised reflecting the Company's strategic realignment and reorganization. As a consequence, the segment note, and the prior period comparatives, have been represented.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Company's operating segments are:

- Municipal Water and Wastewater ("MWW") treatment includes MABR (Aspiral, SUBRE and Nitro) and Nirobox products;
- Industrial Wastewater & Biogas ("IWB"), provides solutions that support the shift to global decarbonization, taking advantage of government incentives and green energy programs in North America as well as the new nitrogen removal laws in Mexico;
- Industrial Water & Reuse ("IWR") solutions, focusing on water reuse applications and high-growth markets such as lithium mining that supports the trend toward electrification as well as high tech industries such as semiconductor and AI data centers;
- Southeast Asia and China ("SEA & China"), with a particular focus on efforts in countries such as Taiwan, Vietnam, Cambodia, the Philippines and South Korea to strengthen and diversify its sales pipeline;
- Recurring Revenue including Build-Own-Operate ("BOO") projects, Operations & Maintenance ("O&M") contracts for equipment sales and equipment rentals; and
- The Ivory Coast Main Works and Ivory Coast Addendum projects ("IVC").

2024	MWW	IWB	IWR	SEA & China	BOO	IVC	Intersegment Elimination	Corporate	Fluence
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
Revenue from continuing operations	10,951	8,903	18,037	3,765	2,906	7,048	(200)	85	51,495
Segment gross profit	3,869	2,494	6,232	1,465	368	452	196	85	15,161
Operating expenses	(3,212)	(2,146)	(3,464)	(3,028)	(270)	(319)	(196)	(11,124)	(23,759)
Less Depreciation and amortisation	283	230	313	449	-	56	-	541	1,872
Other EBITDA adjustments ¹	-	-	-	-	421	-	-	2,294	2,715
Segment EBITDA	940	578	3,081	(1,114)	519	189	-	(8,204)	(4,011)
Share of profits of associates	(22)	-	-	-	-	-	-	-	(22)
Profit/loss from discontinued operations	18	-	-	-	72	-	-	-	90
Other losses, finance costs and income tax	(3,103)	(214)	(2,632)	(2,466)	95	(15)	-	(4,788)	(13,123)
Add back Depreciation and amortisation and other EBITDA adjustments	(283)	(230)	(313)	(449)	(421)	(56)	-	(2,835)	(4,587)
Segment results	(2,450)	134	136	(4,029)	265	118	-	(15,827)	(21,653)

¹ Other EBITDA adjustments include IFRIC12 Concession asset revenue adjustments and Share based payment expense.

Fluence Corporation Limited
Notes to the consolidated financial statements
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Note 2. Segment information (continued)

2023	MWW	IWB	IWR	SEA & China	BOO	IVC	Intersegment Elimination	Corporate	Fluence
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
Revenue from continuing operations	11,142	6,988	14,865	13,559	2,751	22,241	(1,685)	176	70,037
Other income	-	8	-	-	-	-	-	-	8
	11,142	6,996	14,865	13,559	2,751	22,241	(1,685)	176	70,045
Segment gross profit	5,075	1,944	4,732	4,421	316	1,888	532	177	19,085
Operating expenses ¹	(3,371)	(2,092)	(3,528)	(4,504)	(425)	(354)	(532)	(8,486)	(23,292)
Less Depreciation and amortisation	590	236	254	265	-	143	-	550	2,038
Other EBITDA adjustments ²	-	-	-	-	403	-	-	1,943	2,346
Segment EBITDA¹	2,294	88	1,458	182	294	1,677	-	(5,816)	177
Share of profits of associates	33	-	-	-	-	-	-	-	33
Profit/loss from discontinued operations	(611)	-	-	-	(56)	-	-	-	(667)
Other losses, finance costs and income tax	(7,934)	(239)	(340)	(35)	(160)	(204)	-	(2,231)	(11,143)
Add back Depreciation and amortisation and other EBITDA adjustments	(590)	(236)	(254)	(265)	(403)	(143)	-	(2,493)	(4,384)
Segment results¹	(6,808)	(387)	864	(118)	(325)	1,330	-	(10,540)	(15,984)

¹ Segment results were adjusted to exclude Management fees to be consistent with the presentation adopted by management in 2024.

² Other EBITDA adjustments include IFRIC12 Concession asset revenue adjustments and Share based payment expense.

Fluence Corporation Limited
Notes to the consolidated financial statements
31 December 2024

Note 3. Operating revenue

	Consolidated	
	31 December	31 December
	2024	2023
	USD \$'000	USD \$'000
Operating revenue		
<u>Contract revenue</u>		
Smart product solutions	31,533	36,862
Custom engineering solutions	7,487	23,618
	39,020	60,480
<u>Service revenue</u>		
Revenue on services	7,925	5,717
Revenue on parts	1,644	1,089
Recurring revenue from concession assets	2,906	2,751
	12,475	9,557
	51,495	70,037

Revenue has been disaggregated based on contract revenue (inclusive of Smart Product Solutions and Customer Engineering Solutions) and service revenue (inclusive of Recurring Revenue). They comprise distinct revenue streams and margins. Refer to Note 2 for disaggregation of revenue by operating segments.

	Consolidated	
	31 December	31 December
	2024	2023
	USD \$'000	USD \$'000
<u>Timing of revenue recognition</u>		
Goods and services transferred over time	37,092	49,556
Goods and services transferred at a point in time	14,403	20,481
	51,495	70,037

Note 4. Other gains/(losses)

	Consolidated	
	31 December	31 December
	2024	2023
	USD \$'000	USD \$'000
Other gains/(losses)		
Provision for contract receivables	(4,191)	(1,148)
Restructuring provision	(2,124)	(1,542)
Slow moving inventory provision	(1,116)	(645)
Foreign currency transactions costs	(973)	(211)
Foreign exchange loss	(885)	(2,582)
Onerous contract provision	(579)	(107)
Non-operating expenses	(245)	(270)
(Loss)/gain on disposal of property, plant and equipment	(161)	32
(Loss)/gain from investments accounted for using the equity method	(22)	33
Other	(203)	(19)
	(10,499)	(6,459)

Fluence Corporation Limited
Notes to the consolidated financial statements
31 December 2024

Note 5. Discontinued operations and assets classified as held for sale

(a) Discontinued operations and assets classified as held for sale

(i) Description

On 2 February 2024, the Company entered into an Asset Purchase Agreement with Newterra Inc. for the sale of the Aeration and Mixing assets ("Aeromix") for cash proceeds of \$1,987,000, net of transaction costs and escrow amounts. The Aeration assets were determined to be non-core by Fluence management. The transaction is expected to improve liquidity and allow Fluence to streamline its focus on its core Municipal Water and Wastewater operations. The Aeromix net assets and the costs associated with the disposal were \$1,792,000. The company recognised a gain from the sale of Aeromix business of \$195,000.

During the year ended 31 December 2024, the Company continued to classify its operations in Mexico ("Fluence Mexico") as discontinued operations.

At the beginning of 2024, the company decided to enter the Colombian market. However, by 31 December 2024, the Company decided to classify its operations in Colombia ("Fluence Colombia") as discontinued operations.

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 31 December 2024 and the year ended 31 December 2023.

	Consolidated	
	31 December 2024	31 December 2023
	USD \$'000	USD \$'000
Aeromix		
Aeromix		
Revenue	176	3,010
Cost of sales	(113)	(1,918)
Sales and marketing expenses	(33)	(497)
General and administration expenses	(58)	(1,182)
Finance costs	(2)	(24)
Loss before income tax	<u>(30)</u>	<u>(611)</u>
Gain from Aeromix sale	<u>195</u>	<u>-</u>
Gains/(losses) after income tax from discontinued operations	<u><u>165</u></u>	<u><u>(611)</u></u>
Aeromix		
Cash flow from operating activities	(28)	(522)
Cash flow from financing activities	(2)	(24)
Net (decrease) in cash and cash equivalents from discontinued operations	<u>(30)</u>	<u>(546)</u>

Fluence Corporation Limited
Notes to the consolidated financial statements
31 December 2024

Note 5. Discontinued operations and assets classified as held for sale (continued)

	31 December 2024	31 December 2023
Fluence Mexico		
Cost of sales	-	(34)
General and administrative expenses	(110)	(59)
Other gains	180	65
Finance costs - net	2	6
Loss before income tax	<u>72</u>	<u>(22)</u>
Income tax benefit	-	(34)
Gains/(losses) after income tax from discontinued operations	<u>72</u>	<u>(56)</u>
Consolidated		
	31 December 2024	31 December 2023
	USD \$'000	USD \$'000
Net cash used in operating activities	(84)	(164)
Net cash from financing activities	34	60
Changes in cash funds effects of exchange-rate changes	10	68
Net (decrease) in cash and cash equivalents from discontinued operations	<u>(40)</u>	<u>(36)</u>
Fluence Colombia		
General and administrative expenses	(147)	-
Loss after income tax from discontinued operations	<u>(147)</u>	<u>-</u>
Fluence Colombia		
	31 December 2024	31 December 2023
Cash flow from operating activities	(101)	-
Cash flow from financing	125	-
Changes in cash funds effects of exchange-rate changes	(14)	-
Net increase in cash and cash equivalents from discontinued operations	<u>10</u>	<u>-</u>
Fluence Colombia		
	31 December 2024	31 December 2023
Loss after income tax expense from discontinued operations		
Aeromix	165	(611)
Mexico	72	(56)
Colombia	<u>(147)</u>	<u>-</u>
	<u>90</u>	<u>(667)</u>

Fluence Corporation Limited
Notes to the consolidated financial statements
31 December 2024

Note 5. Discontinued operations and assets classified as held for sale (continued)

(b) Assets and liabilities directly associated with assets classified as held for sale

	31 December 2024 USD \$'000	31 December 2023 USD \$'000
Aeromix		
Trade and other receivables	-	530
Inventories	-	1,031
Prepayments	-	278
Total assets directly associated with assets classified as held for sale	<u>-</u>	<u>1,839</u>
Trade and other payables	-	606
Current lease liabilities	-	209
Provisions	-	18
Contract liabilities	-	135
Non-current lease liabilities	-	159
Total liabilities directly associated with assets classified as held for sale	<u>-</u>	<u>1,127</u>
Net assets	<u>-</u>	<u>712</u>

(c) Carrying amounts of assets and liabilities related to discontinued operations.

	31 December 2024 USD \$'000	31 December 2023 USD \$'000
Fluence Mexico		
Cash and cash equivalents	50	90
Trade and other receivables	28	77
Prepayments	1	1
Other current assets	2	14
Property, plant and equipment	122	3
Total assets	<u>203</u>	<u>185</u>
Trade and other payables	378	472
Other liabilities	2	(5)
Total liabilities	<u>380</u>	<u>467</u>
Net liabilities	<u><u>(177)</u></u>	<u><u>(282)</u></u>

	31 December 2024 USD \$'000	31 December 2023 USD \$'000
Fluence Colombia		
Cash and cash equivalents	10	-
Trade and other receivables	2	-
Total assets	<u>12</u>	<u>-</u>
Trade and other payables	48	-
Net liabilities	<u><u>(36)</u></u>	<u><u>-</u></u>

Fluence Corporation Limited
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Note 6. Loss per share

(a) Loss per share from continuing operations

	Consolidated 31 December 2024 USD \$'000	31 December 2023 USD \$'000
<u>Earnings per share for loss from continuing operations</u>		
Loss after income tax	(21,743)	(15,317)
Non-controlling interest	305	(63)
	<u>(21,438)</u>	<u>(15,380)</u>
	US Dollars	US Dollars
Basic earnings per share	(0.0199)	(0.0218)
Diluted earnings per share	(0.0199)	(0.0218)

(b) Loss per share from discontinued operations

	Consolidated 31 December 2024 USD \$'000	31 December 2023 USD \$'000
<u>Earnings per share for profit/(loss) from discontinued operations</u>		
Profit/(loss) after income tax	90	(667)
Non-controlling interest	(53)	35
	<u>37</u>	<u>(632)</u>
	US Dollars	US Dollars
Basic earnings per share	-	(0.0009)
Diluted earnings per share	-	(0.0009)

(c) Loss per share

	Consolidated 31 December 2024 USD \$'000	31 December 2023 USD \$'000
<u>Earnings per share for loss</u>		
Loss after income tax	(21,653)	(15,984)
Non-controlling interest	252	(28)
	<u>(21,401)</u>	<u>(16,012)</u>
	US Dollars	US Dollars
Basic earnings per share	(0.0198)	(0.0227)
Diluted earnings per share	(0.0198)	(0.0227)

Fluence Corporation Limited
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Note 6. Loss per share (continued)

	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,078,660,717	704,123,094
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,078,660,717</u>	<u>704,123,094</u>

Note 7. Trade and other payables and other liabilities

	Consolidated 31 December 2024 USD \$'000	31 December 2023 USD \$'000
<i>Current liabilities</i>		
Trade payables	10,799	8,159
Accrued payroll liabilities	3,535	3,509
Accrued project expenses	18,426	18,494
Government grants	515	398
Other accruals	1,524	1,803
	<u>34,799</u>	<u>32,363</u>
	<u>34,799</u>	<u>32,363</u>

Note 8. Borrowings

The Company fully repaid its loan facility with Upwell Water LLC (the "Upwell Facility") in July 2024. Since the Upwell Facility was first put in place in July 2020, Fluence had drawn down \$30.3M, a substantial portion of which was repaid in 2023 and in the first half of 2024.

In addition to repayment of the balance of the Upwell Facility term loan, the Company also fully repaid the balance of the Bimini Project Loan for a total repayment of \$14.1M across both loans. As a result of the repayment, the Upwell Facility was terminated and all collateral underlying the loan was fully released. Upwell will continue to have the option to provide project debt financing on future BOO projects presented by Fluence.

Also in July 2024, the Company replaced the Upwell Facility with a new Revolving Facility for up to \$15.0 million (the "Revolving Facility") on more favorable terms to support the Company than the Upwell Facility. The Revolving Facility was initially used to pay off the Upwell Facility, for working capital and to support new project wins. The interest rate on the Revolving Facility is variable and equal to the US Prime Rate, which is currently 7.5%. The initial term is 21 months with a Company option to extend for up to three (3) months at Prime Rate plus 5%. The Revolving Facility has been provided by Nikolaus Oldendorff and Doug Brown (the "Lenders"), each of whom currently sit on the Company's Board of Directors and have been long-term supporters of the business.

On 31 October 2024, the Revolving Facility was expanded by \$5M to \$20M total to provide additional working capital for new projects. Security in respect of the Revolving Facility is initially limited to no more than five percent (5%) of the equity interests of the Company. As contemplated at the time the Revolving Facility was put in place, the Company will seek shareholder approval to grant additional security for the Lenders under ASX Listing Rule 10.1.

The repayment of the Upwell Facility and securing the Revolving Facility provides the Company with considerable interest savings, operating flexibility and will support our continued growth.

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Note 8. Borrowings (continued)

	Consolidated	
	31 December 2024	31 December 2023
	USD \$'000	USD \$'000
<i>Borrowings and lease liability</i>		
Current borrowings including interest payable	3,171	15,752
<i>Non-current liabilities</i>		
Non-current borrowings	17,500	2,085
	20,671	17,837

Note 9. Commitments and contingent liabilities

On 16 August 2024, a claim was filed by MST Financial Services Pty Ltd ("MST") against the Company for \$1.39 million in respect of a purported tail fee. On 16 December 2024, the Company entered into a settlement agreement with MST for \$0.4 million, inclusive of GST, payable in multiple tranches throughout 2025.

There were no other material ongoing litigations as at 31 December 2024.

Note 10. Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 11. Audit

The Financial Report is currently in the process of being audited. The Annual Report for the year ended 31 December 2024 containing the Audit Report shall be provided in due course.