Research as a Service

# Fluence Corporation Ltd

**Company Update**

## The evolution continues

Water Utilities

**Fluence Corporation (ASX:FLC) specialises in the delivery of water and wastewater solutions in industrial, municipal and commercial industries across the globe. The company has delivered a solid quarterly Q1 FY2026 operating result, particularly given seasonally weaker conditions and some timing challenges. Both revenue and EBITDA improved, driven by strong project execution, margin expansion and cost discipline. Gross margins increased to 29.2% [+3pp year-on-year (YoY)], illustrating improved delivery across key segments, most notably the Industrial Wastewater & Biogas (IWB) and Southeast Asia & China (SEA & China) divisions. New orders were a weak point, at $7.5m, down $4.6m YoY, primarily due to delays rather than cancellations, and management emphasised that they remain in the pipeline with strong visibility into Q2 and Q3. As a result, total order backlog declined marginally to $64.4m, but core business backlog is ~20% higher YoY. Again, timing issues impacted operating cash flow (OCF) with an outflow of $8.2m, in this case due to the delay of the €6.6m milestone 7 payment for the Ivory Coast Addendum project which had been expected in March but delayed to April/May. Management expects positive operating cash flow for the remainder of FY26. Despite near-term noise, underlying momentum is strong and the core business units are performing solidly. Management reiterated FY26 guidance of double-digit revenue growth, margin expansion and strong EBITDA growth, underpinned by backlog strength, pipeline conversion and disciplined cost control. We retain our existing forecasts and our DCF valuation remains unchanged at A$0.18 per share, representing potential upside of 122% from the current share price.**

### Business model

Fluence is a diversified business, by product, customer profile and geography, and derives revenue from the design and sale of equipment solutions for water and wastewater treatment in municipal, industrial and commercial settings. This is complemented by the ongoing provision of parts and service, and operation and maintenance contracts.

### The core business continues to build momentum

FLC's outlook is increasingly driven by the transition away from the construction phase of the Ivory Coast Project (IVC) which is expected to complete in Q3 FY26. A near-term catalyst is the potential long-term IVC O&M contract, where Fluence is currently in exclusive negotiations, the securing of which would deliver a recurring, higher-margin annuity stream. Beyond IVC, the core business is now the primary growth engine, with the IWB and SEA & China divisions displaying strong momentum, with further growth potential from Municipal Water & Wastewater (MWW) and Industrial Water & Reuse (IWR), which should both benefit from near-term new orders.

### DCF valuation unchanged at A$0.18/share

Our forecasts remain unchanged, representing FY26 revenue growth of 13.0% to $88.6m and EBITDA growth of 149.4% to $6.2m. We forecast EBITDA to grow strongly again in FY27, due to change in business mix driving margin expansion. Our DCF valuation is unchanged at A$0.18 per share. While Q1 FY26 headline numbers were mixed, the combination of delayed (not lost) orders, improving margins and strong forward visibility points to accelerating momentum through the balance of FY2026.

**Historical earnings and RaaS' forecasts (in US$ unless otherwise stated)**

| Year end | Revenue | Gross profit | EBITDA adj.* | NPAT adj. | EPS (c) | EV/Sales (x) | EV/EBITDA (x) | PER (x) |
|---|---|---|---|---|---|---|---|---|
| 12/24a | 51.5 | 15.2 | (4.0) | (8.5) | (1.1) | 1.4 | n.m. | n.m. |
| 12/25a | 78.4 | 23.1 | 4.0 | 0.8 | 0.1 | 0.8 | 15.3 | 73.5 |
| 12/26f | 88.6 | 27.9 | 6.2 | 2.5 | 0.3 | 0.7 | 10.7 | 24.8 |
| 12/27f | 87.8 | 28.5 | 8.9 | 5.2 | 0.7 | 0.7 | 6.5 | 12.1 |

Source: Company data, RaaS estimates for FY26f-FY27f; Adjusted for one-time and non-cash items

**22 May 2026**

**Share Details**

| | |
|---|---|
| ASX code | FLC |
| Share price (21-May) | $0.085 |
| Market capitalisation | $97.1M |
| Shares on issue | 1,142M |
| Net debt 31-Mar-2026 | $10.0M |
| Free float (LSEG) | 50.7% |
| Avg daily volume (12-mths) | 0.516M |

**Share Performance (12 months)**


**Upside Case**

- New contract win-rate ahead of forecasts
- The emergence of a clear BOO model backed by contract wins
- M&A opportunities

**Downside Case**

- Failure or delays in conversion of pipeline
- Margin expansion story doesn't play out
- Geopolitical threats

**Catalysts**

- Strong pipeline conversion in Q2/Q3 FY26
- Securing long-term IVC O&M contract
- Evidence of maintainable margin expansion

**Board of Directors**

| | |
|---|---|
| Doug Brown | Chair |
| Ben Fash | CEO/Managing Director |
| Paul Donnelly | Non-Executive Director |
| Mel Ashton | Non-Executive Director |
| Nikolaus Oldendorff | Non-Executive Director |

**Company Contact**

Ben Fash (CEO)

bfash@fluencecorp.com

**RaaS Contact**

Graeme Carson +61 417 666 802
graeme.carson@raasgroup.com

RAAS
Research as a Service

## Q1 FY26 Results Discussion

Q1FY26 results reflected a mix of strengths and near-term challenges, however the business continues to improve performance and remains positioned to deliver solid growth in FY26 (Dec year-end). Exhibit 1 illustrates divisional contribution and resulting group performance, with the group delivering revenue growth, margin expansion and EBITDA growth.

**Exhibit 1: Q1 FY26 Divisional Contribution versus Q1FY25 (US$m)**

| | Q1 FY25 | | Q1 FY26 | | Variance % |
|---|---|---|---|---|---|
| | Revenue | EBITDA | Revenue | EBITDA | EBITDA |
| Municipal Water & Wastewater (MWW) | 2.4 | 0.1 | 1.8 | 0.2 | 0.0 |
| Industrial Water & Biogas (IWB) | 2.7 | 0.3 | 3.5 | 0.7 | +0.4 |
| Industrial Water & Reuse (IWR) | 4.3 | 0.6 | 4.0 | 0.4 | -0.2 |
| SEA & China | 1.0 | 0.0 | 2.0 | 0.2 | +0.3 |
| BOO | 0.7 | 0.2 | 0.6 | 0.2 | 0.0 |
| IVC | 5.7 | 0.6 | 5.6 | 0.6 | 0.0 |
| Corporate | (0.1) | (1.8) | (0.3) | (1.8) | 0.0 |
| **Total** | **16.6** | **0.1** | **17.2** | **0.5** | **+0.4** |

Source: Company data and RaaS analysis

The key discussion points regarding the recent release are outlined below. Note the release contained the 4C cash-flow statement and associated commentary, not full financials.

- **The IWB and SEA & China divisions were the major growth drivers at both the revenue and EBITDA lines.** IWB grew revenue by 29% and EBITDA by 130%, and SEA & China grew revenue by 96% and EBITDA improved from break-even to $0.2m. The turnaround in the SEA & China division was particularly encouraging, suggesting the management changes in the region are gaining traction and momentum is expected to continue building.

- **Group revenue in Q1 remained resilient, although somewhat moderated by project timing dynamics**. Strength in IWB and SEA & China was partially offset by marginal revenue declines in MWW and IWR, driven by several project and order delays, but these have been described as timing issues and performance is expected to “accelerate later in Q2 and Q3”. These delays are expected to shift revenue in these business units into H2 FY26 but are not expected to get pushed beyond FY2026.

- **EBITDA was driven by stronger performance at the margin** on execution of the order backlog at the project level, as evidenced by the recognition of the warranty accrual reversal (albeit not specifically quantified). This resulted in $0.5m EBITDA, up from $0.1m in the previous corresponding period (pcp). Given Q1 is a seasonal low point, to deliver another profitable period is a solid outcome, with every division delivering positive EBITDA amid ongoing evidence of cost discipline.

- **Gross margins expanded from 26.2% to 29.2%,** representing strong project execution complemented by revenue growth coming from higher-margin divisions rather than the IVC project.

- **Cash flow was softer than expected, reflecting timing delays and a normalisation following an unusually strong December 2025 quarter.** The closing cash balance of $8.0m (plus $4.0m in deposits), down from $16.6m as at 31 December 2025, was a negative surprise, largely due to delays in Ivory Coast payments and several large projects, combined with lower new orders over the quarter. The negative swing from the previous quarter was, at face value, overstated by the receipt of the IVC project milestone payment 6 late in the December 2025 quarter, effectively resulting in a significant surplus cash position as at 31 December 2025. The IVC milestone payment 7 of €6.6m was expected in the March quarter but is now to be collected in full by mid-May, which if received as expected, would have reduced operating cash outflow to $1.0m in Q1 FY2026. The balance of FY26 is forecast by the company to be cash-flow positive.

- **Debt facility currently being reset.** The current $20.0m revolving line of credit facility, provided by FLC's Directors and largest shareholders, Nikolaus Oldendorff and Doug Brown, is currently under negotiation for extension, most likely until June 2027. Management says it will look to seek commercial bank financing over the course of the next 18 months.

## Outlook

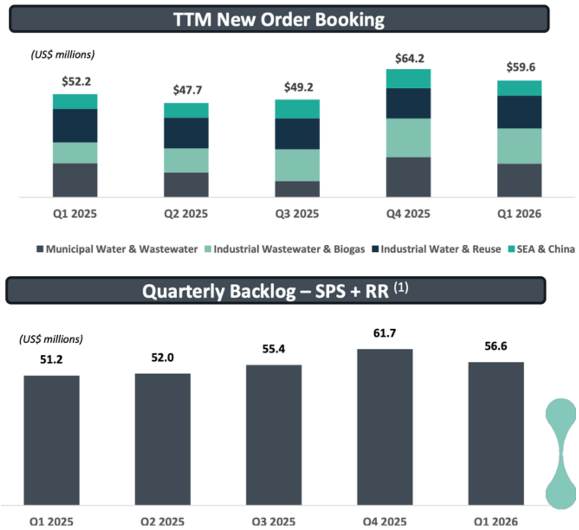
The company has maintained previous FY2026 commentary of "double-digit revenue growth driven by momentum in SPS [Smart Product Solutions] and RR [recurring revenue] segments in our core markets. Combined with expansion of gross margins and disciplined cost controls, EBITDA is expected to show strong growth in FY2026". This is in-line with our current forecasts and expected to be driven by:

- **The IVC Addendum project completion:** The IVC Addendum project is forecast to complete in Q3 FY2026, on budget and "with visibility on potential savings". The contract contributed $5.6m in Q1 revenue and is expected to deliver a further ~$7.5m-$8.0m across the June and September quarters. FLC continues to pursue a long-term operating and maintenance contract, and notably, is the only party in the current negotiation process, with management stating it is "strongly positioned to win this important contract".

- **Strong visibility on new orders:** New contract wins were lighter than anticipated in Q1 FY2026, however management indicated that most potential projects were "delayed but not lost". As such, the company has a high level of visibility in new orders in its pipeline, and expects a significant increase in Q2 FY2026, potentially as much as $18m-$20m.

- **Profitable execution of order backlog:** The order backlog sat at $64.4m at quarter's end. MWW, IWR, IWB and SEA & China collectively increased backlog by 18.6% over the same period last year and SPS and RR backlog sits at its second-highest point of the past three years. When combined with the expectation of upcoming contract success, we remain confident that FLC remains well positioned to deliver double-digit FY26 revenue growth as per guidance and RaaS forecasts.

**Exhibit 2: New order booking and order backlog**




Source: Company reports

As the IVC construction project approaches finalisation, the business continues to transition towards higher-margin SPS and RR projects. We forecast this to result in gross profit margin expansion from 29.5% in FY25 to 32.5% in FY27. Traction continues to increase in the core strategic divisions with revenue expected to accelerate after a period of consolidation where the IVC project revenue is replaced over the 12 months post its completion. This is forecast to be complemented by improving operating leverage.

**Exhibit 3: Historical and forecast group earnings**

| | FY24A | FY25A | FY26f | FY27 |
|---|---|---|---|---|
| Revenue | 51.5 | 78.4 | 88.6 | 87.8 |
| Gross Profit | 15.2 | 23.1 | 27.9 | 28.5 |
| *GP %* | *29.4* | *29.5* | *31.5* | *32.5* |
| EBITDA (Und) | (4.0) | 4.0 | 6.2 | 8.9 |
| EBIT (Und) | (21.0) | (7.4) | 4.1 | 6.8 |
| NPAT (Adj) | (22.0) | (7.1) | 2.5 | 5.2 |
| EPS (adjusted to A$) | (2.9) | (0.0) | 0.5 | 0.5 |

Source: Company reports

## No Changes To Forecasts

We remain optimistic about the outlook for the business and the capability of the management team to drive the new strategy, and given management commentary and order visibility, we retain our existing forecasts.

## DCF Valuation

In our view, the discounted cash-flow methodology is the most appropriate method for valuing the company. We use a weighted average cost of capital of 11.9% (risk-free rate 4.5% and equity risk premium 6.0%). We use a beta of 1.3 (observed Beta is 1.27). This gives us a base-case valuation of A$0.18/share fully diluted which remains unchanged.

**Exhibit 4: DCF valuation**

| DCF valuation | Parameters |
|---|---|
| Discount rate / WACC | 11.9% |
| Beta* | 1.3 |
| Terminal growth rate | 3.0% |
| Sum of PV (US$m) | 46.2 |
| PV of terminal value (US$m) | 86.7 |
| PV of enterprise (US$m) | 132.9 |
| Net debt 30 Dec US($m) | 10.0 |
| Net value – shareholder (US$m) | 142.9 |
| No. of shares on issue (in millions and fully diluted) | 1142.9 |
| **NPV in US$** | **$0.125** |
| **NPV in A$ (ER 0.70)** | **$0.18** |

Source: RaaS analysis; *LSEG observed beta is 1.27

## Exhibit 5: Financial Summary

| Fluence Corporation | All financials in US$ unless stated otherwise | | | | |
|---|---|---|---|---|---|
| **Profit and Loss (A$m)** | | | | | |
| **Y/E 30 December** | **FY23A** | **FY24A** | **FY25A** | **FY26F** | **FY27F** |
| Sales Revenue | 68.8 | 51.5 | 78.4 | 88.6 | 87.8 |
| Gross Profit | 17.8 | 15.2 | 23.1 | 27.9 | 28.5 |
| EBITDA (Und) | 0.2 | (4.0) | 4.0 | 6.2 | 8.9 |
| Depn | (1.8) | (1.6) | (1.8) | (1.8) | (1.9) |
| Amort | (0.2) | (0.2) | (0.2) | (0.2) | (0.2) |
| EBIT (Und) | (1.4) | (5.9) | 0.5 | 4.1 | 6.8 |
| Interest | (5.7) | (2.8) | (1.5) | (1.6) | (1.6) |
| Tax | (0.7) | 0.2 | (0.5) | 0.0 | 0.0 |
| Equity accounted assoc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **NPAT (Und)** | **(9.2)** | **(8.5)** | **0.8** | **2.5** | **5.2** |
| Significant & non-cash items | (8.8) | (13.5) | (7.9) | 0.0 | 0.0 |
| NPAT (reported) | (18.1) | (22.0) | (7.1) | 2.5 | 5.2 |
| **Cash flow (A$m)** | | | | | |
| **Y/E 30 December** | **FY23A** | **FY24A** | **FY25A** | **FY26F** | **FY27F** |
| EBITDA | 0.2 | (4.0) | 4.0 | 6.2 | 8.9 |
| Interest | (5.7) | (2.3) | (1.6) | (1.6) | (1.6) |
| Tax | (0.2) | (0.8) | (0.4) | (1.4) | (1.6) |
| Other | (13.3) | (13.0) | 8.9 | (2.6) | 4.6 |
| Operating cash flow | (19.0) | (20.1) | 10.9 | 0.6 | 10.3 |
| Mtce capex | 0.0 | 0.0 | (0.4) | (0.4) | (0.4) |
| Free cash flow | (19.0) | (20.1) | 10.5 | 0.2 | 9.9 |
| Capex | (1.8) | 0.0 | (2.0) | (2.0) | (2.0) |
| Acquisitions/Disposals | 0.1 | 2.0 | 0.0 | 0.0 | 0.0 |
| Other | 6.1 | (1.0) | (0.2) | (0.2) | 0.8 |
| Cash flow pre financing | (14.6) | (19.1) | 8.3 | (2.0) | 8.7 |
| Equity | 26.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt | (13.4) | 2.3 | (2.1) | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow for year | (1.4) | (16.9) | 6.2 | (2.0) | 8.7 |
| **Balance sheet (A$m)** | | | | | |
| **Y/E 30 December** | **FY23A** | **FY24A** | **FY25A** | **FY26F** | **FY27F** |
| Cash | 24.6 | 8.9 | 16.6 | 14.6 | 22.3 |
| Accounts receivable | 35.3 | 38.9 | 23.6 | 37.7 | 37.3 |
| Inventory | 5.7 | 5.8 | 4.6 | 5.1 | 5.9 |
| Other current assets | 8.7 | 3.2 | 3.5 | 6.3 | 6.3 |
| Total current assets | 74.3 | 56.8 | 48.3 | 63.6 | 71.9 |
| PPE | 8.1 | 8.0 | 9.0 | 9.2 | 9.3 |
| Intangibles and Goodwill | 1.1 | 1.0 | 0.6 | 0.6 | 0.6 |
| Investments | 0.3 | 0.3 | 0.0 | 0.2 | 0.2 |
| Deferred tax asset | 2.0 | 1.9 | 1.7 | 1.6 | 1.6 |
| Other non current assets | 7.2 | 6.1 | 6.4 | 7.0 | 7.0 |
| Total non current assets | 18.8 | 17.3 | 17.8 | 18.7 | 18.8 |
| **Total Assets** | 93.1 | 74.1 | 66.1 | 82.3 | 90.7 |
| Accounts payable | 32.4 | 34.8 | 32.9 | 35.8 | 35.4 |
| Short term debt | 15.8 | 3.2 | 18.2 | 0.0 | 0.0 |
| Tax payable | 0.7 | 0.1 | 0.1 | 0.0 | 0.0 |
| Other current liabilities | 28.7 | 25.1 | 10.0 | 31.5 | 35.6 |
| Total current liabilities | 77.6 | 63.2 | 61.2 | 67.3 | 71.1 |
| Long term debt | 2.6 | 17.5 | 0.0 | 17.5 | 17.5 |
| Other non current liabs | 0.8 | 1.0 | 16.2 | 8.3 | 7.7 |
| *Total long term liabilities* | *3.4* | *18.5* | *16.2* | *25.8* | *25.2* |
| **Total Liabilities** | 80.9 | 81.6 | 77.4 | 93.1 | 96.2 |
| **Net Assets** | **12.2** | **(7.5)** | **(11.3)** | **(10.8)** | **(5.6)** |
| Share capital | 232.3 | 232.6 | 234.8 | 232.6 | 232.6 |
| Accumulated profits/losses | (214.9) | (236.3) | (245.6) | (243.1) | (237.8) |
| Reserves | (3.3) | (1.6) | 1.5 | 1.5 | 1.5 |
| Minorities | (2.0) | (2.2) | (2.1) | (1.9) | (1.9) |
| **Total Shareholder funds** | **12.2** | **(7.5)** | **(11.3)** | **(10.8)** | **(5.6)** |

| Share price (21 May 2026) | All per share metrics in A$ | | | | | $ 0.085 |
|---|---|---|---|---|---|---|
| **Interim (A$m)** | | | | | | |
| | **1H23A** | **2H23A** | **1H24A** | **2H24A** | **1H25A** | **2H25A** |
| Revenue | 30.4 | 38.4 | 20.1 | 30.7 | 33.1 | 45.3 |
| EBITDA (adj) | (1.6) | 2.2 | (3.5) | (0.5) | 0.1 | 3.9 |
| EBIT (adj) | (2.6) | 1.2 | (4.4) | (1.3) | (0.7) | 1.2 |
| NPAT (normalised) | (5.1) | (3.8) | (5.9) | (2.0) | (1.7) | (5.4) |
| EPS (normalised/diluted) | (0.69) | (0.48) | (0.55) | (0.18) | (0.00) | (0.00) |
| **Divisions** | **1H24A** | **2H24A** | **1H25A** | **2H25A** | **FY26F** | **FY27F** |
| MWW | 3.7 | 7.4 | 5.0 | 8.0 | 24.0 | 27.0 |
| IWB | 3.2 | 5.7 | 4.9 | 7.5 | 19.0 | 23.0 |
| IWR | 8.7 | 9.3 | 7.9 | 10.5 | 22.0 | 24.0 |
| SEA & China | 2.4 | 1.4 | 2.5 | 3.0 | 11.0 | 12.5 |
| BOO | 1.5 | 1.4 | 1.3 | 1.4 | 3.0 | 3.7 |
| IVC | 0.7 | 7.0 | 12.7 | 18.0 | 12.0 | 0.0 |
| Corporate | | | (1.1) | (1.1) | (2.4) | (2.4) |
| **Sales revenue** | **20.2** | **30.7** | **33.1** | **47.2** | **88.6** | **87.8** |
| EBITDA (normalised) | (3.5) | (0.5) | 0.1 | 3.9 | 6.2 | 8.9 |

| Margins, Leverage, Returns | | **FY23A** | **FY24A** | **FY25A** | **FY26F** | **FY27F** |
|---|---|---|---|---|---|---|
| Gross Profit Margin | | 25.9% | 29.4% | 29.5% | 31.5% | 32.5% |
| EBITDA (Und) | | 0.3% | (7.8%) | 5.1% | 7.0% | 10.2% |
| EBIT (Und) | | (2.1%) | (11.4%) | 0.7% | 4.7% | 7.8% |
| NPAT (Und) | | (13.4%) | (16.5%) | 1.0% | 2.9% | 6.0% |
| Net Debt (Cash) | | (6.3) | 11.7 | 1.5 | 2.9 | (4.8) |
| EBIT interest cover (x) | (x) | - 0.3 | - 2.1 | 0.3 | 2.6 | 4.3 |
| ROA | | n/a | (7.0%) | 0.7% | 5.6% | 7.9% |
| ROE | | n/a | (361.4%) | (8.7%) | (23.0%) | (63.8%) |
| ROIC | | n/a | 90.9% | (4.2%) | (54.0%) | (369.1%) |
| **Working capital** | | 8.6 | 9.9 | (4.7) | 7.0 | 7.8 |
| **WC/Sales (%)** | | 12.5% | 19.2% | (6.0%) | 7.8% | 8.9% |
| **Revenue growth** | | (40.9%) | (25.1%) | 52.2% | 13.0% | (0.9%) |
| **EBITDA growth** | | (65.4%) | (2415.6%) | 200% | 55% | 44% |
| **Pricing** | | **FY23A** | **FY24A** | **FY25A** | **FY26F** | **FY27F** |
| No of shares (y/e) | (m) | 1,076 | 1,076 | 1,143 | 1,143 | 1,143 |
| Weighted Av Dil Shares | (m) | 791 | 1,163 | 1,093 | 1,143 | 1,143 |
| EPS Reported (A$) | cps | (3.51) | (2.91) | (0.99) | 0.34 | 0.70 |
| EPS Normalised/Diluted ( | cps | (1.79) | (1.13) | 0.12 | 0.34 | 0.70 |
| EPS growth (norm/dil) | | n/a | n/a | n/a | 196% | 106% |
| DPS | cps | - | - | - | - | - |
| DPS Growth | | n/a | n/a | n/a | n/a | n/a |
| Dividend yield | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Dividend imputation | | 0 | 0 | 0 | 0 | 0 |
| PE (x) | | n/a | n/a | 73.5 | 24.8 | 12.1 |
| PE market | | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| Premium/(discount) | | n/a | n/a | 308.5% | 37.9% | (33.0%) |
| EV/EBITDA | | 171.3 | n/a | 15.3 | 10.7 | 6.5 |
| EV/Revenue | | 0.4 | 1.4 | 0.8 | 0.7 | 0.7 |
| FCF/Share (A$) | cps | -2.7 | -2.9 | 1.4 | 0.0 | 1.3 |
| Price/FCF share | x | n/a | n/a | 6.0 | 334.6 | 6.3 |
| Free Cash flow Yield | | -32.0% | -33.8% | 16.6% | 0.3% | 15.7% |

Source: RaaS estimates, Company data for actuals

# FINANCIAL SERVICES GUIDE

## RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26th March 2024

**About Us**

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Research Group Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 www.brsecuritiesaustralia.com.au

RaaS:. c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

**Our general advice service**

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities.

**How are we paid?**

RaaS earns fees for producing research reports about companies we like, and/or producing a financial model as well. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report. Sometimes we write reports using our own initiative.

**Associations and Relationships**

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

**Complaints**

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

**Professional Indemnity Insurance**

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Research Group Pty Ltd on behalf of Fluence Corporation Ltd. RaaS Research Group has been paid a fee, in the form of a monthly retainer, by Fluence Corporation to prepare this report. RaaS Research Group does not engage in capital raisings, nor does it engage in share broking or provide investor relations services. RaaS Research Group's only source of income is the fees it is paid for its research services.. RaaS Research Group's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Research Group and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Research Group at the time of publication. RaaS Research Group provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Research Group in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Research Group has no obligation to update the opinion unless RaaS Research Group is currently contracted to provide such an updated opinion. RaaS Research Group does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance..

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than $50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Research Group does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Research Group shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Research Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. 