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A horizontal graphic of a water splash, showing a line of blue water with several bubbles and droplets, positioned across the middle of the slide.

# Q2 2021 Update

Fluence Corporation (ASX:FLC)  
29 July 2021

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# Q2 2021 Highlights

*All numbers are subject to audit*



## Strong Revenue Growth

- Revenue of \$27.2M up 49% over Q1 2021 and 169% over Q2 2020
- China revenues for Q2 2021 up 48% on Q2 2020
- SPS revenues of \$7.8M in Q2 2021

## Continued strong adoption of MABR Smart Products Solutions

- 15 MABR plants sold in Q2 2021, 34 year to date 2021
- Brings the total sold worldwide to 281 MABR plants

## Backlog Strong

- \$175M contracted backlog of which SPS backlog is \$18.7M, showing strong SPS momentum
- Ivory Coast project on budget and on track

## Cost Out Improvement / Continued operating efficiency gains

- 1H 2021 operating expenses down 7% on 1H 2020

## Cash Flow positive in Q2 2021

- Operating cash flow positive of \$13M

## Net Cash

- Cash balance of \$23.7M plus \$38.4M in short and long-term liquid investments

**2021 Guidance Reiterated – EBITDA positive for year, SPS revenues \$35 – 50M**

• - Operating expenses including depreciation and amortization  
*All numbers in presentation are USD unless otherwise stated.*

# Progress on Strategic Priorities



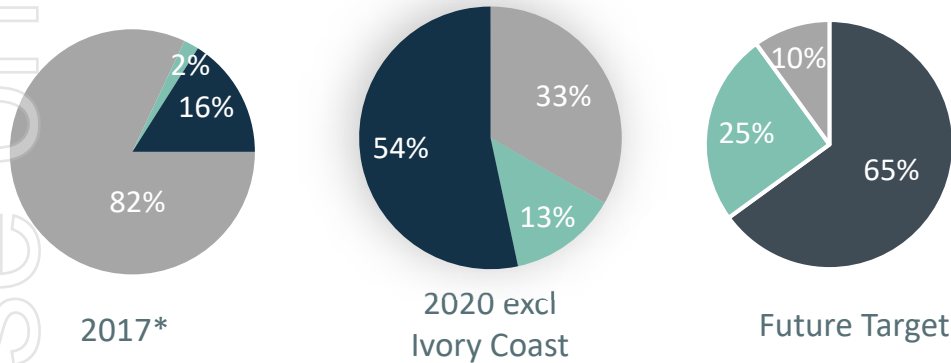
Priority	Progress
<b>Sign key new volume strategic partnerships in China and the Middle East</b>	<ul style="list-style-type: none"> <li>▪ 5 MABR plants sold in China were to new partners</li> </ul>
<b>Secure significant new contract wins in focus markets: US, China, SE Asia, Middle East</b>	<ul style="list-style-type: none"> <li>▪ Sold 15 MABR plants in Q2 2021, 34 sold year to date</li> <li>▪ 3 MABR plants were sold in the US, bringing US total to 10</li> <li>▪ 25 of the 34 MABR plants sold in 1H 2021 were repeat orders from China volume partners:                             <ul style="list-style-type: none"> <li>▪ Three Gorges</li> <li>▪ Hubei ITEST</li> <li>▪ Kaitian</li> <li>▪ Liaoning Huahong</li> <li>▪ China Rail</li> </ul> </li> <li>▪ Global total sold to date: 281</li> </ul>
<b>Develop water as a service business in North America</b>	<ul style="list-style-type: none"> <li>▪ Strong pipeline progressing</li> </ul>
<b>Execute Ivory Coast project</b>	<ul style="list-style-type: none"> <li>▪ On budget and on schedule</li> </ul>
<b>Meet or exceed guidance</b>	<ul style="list-style-type: none"> <li>▪ On track to achieve underlying EBITDA positive for 2021 with SPS sales \$35-50M</li> </ul>

**Deliver Ivory Coast while securing transformation to high margin Smart Product Solutions**

# Fluence: Fast To Deploy, Profitable Water Solutions



## Revenue Mix



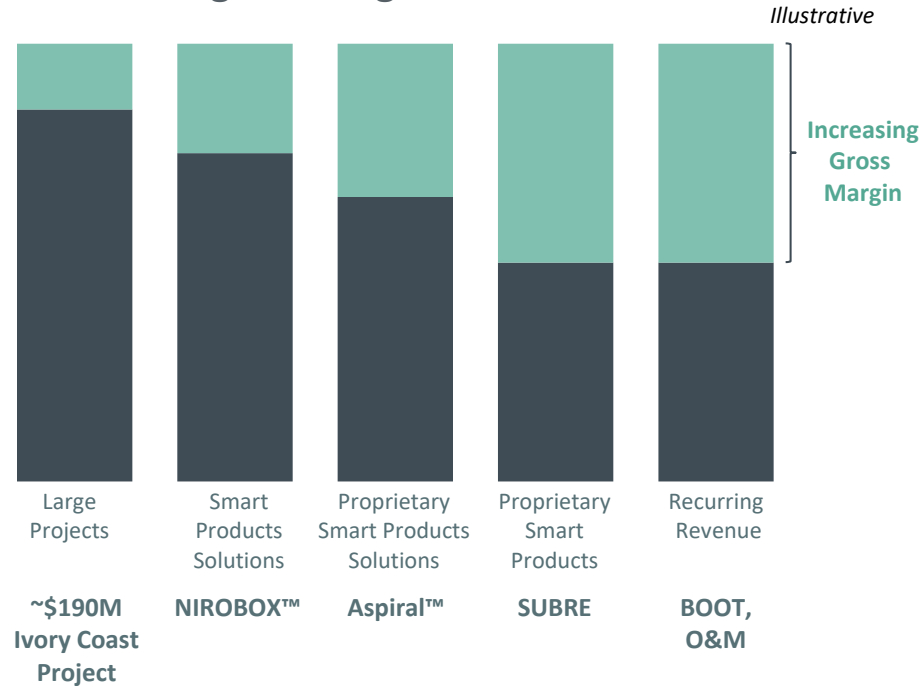
- Smart Products Solutions (SPS)
- Recurring Revenue (RR)
- Custom Engineered Solutions

\* 12 months pro-forma

## Strategic Focus

- Sell MABR in China and SE Asia
- Sell Nirobox in Middle East and SE Asia
- Seek more recurring revenue via water as a service in US and Caribbean
- Timely execute Ivory Coast project
- Improve operating efficiencies

## Transition To Higher Margin Revenue



Examples:

- ✓ Only global, pure play water and wastewater treatment company delivering standardized solutions to a growing, global, decentralised market
- ✓ Fast to deploy, lower cost, lower risk way to meet tightening regulatory standards
- ✓ Maximize profitable growth by targeting highest growth markets
- ✓ Strong team and balance sheet

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2021 consolidated financial figures presented on IFRS basis are unaudited and subject to change.



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