Targeting Global Leadership in Decentralized Water & Wastewater Treatment Solutions

Corporate Overview

May 2018

Executive Summary

- Clear signs of growing global water scarcity & contamination
- Decentralized solutions deploy faster, cheaper – US$22B market by 2021[1]
- Fluence is focused on decentralized market, with a full suite of solutions
- Guidance of US$105-115M in 2018 revenues, up 80-100% from 2017
- US$95M in backlog at March 31 2018
- Target EBITDA positive during 2019
- US$58M in available cash at March 31 2018, under $2M in debt
- Proven management team and board – over 7,000 references in more than 70 countries

[1]Source: Global Water Intelligence, *Global Water Market 2017 Volume 1*

Market Opportunity

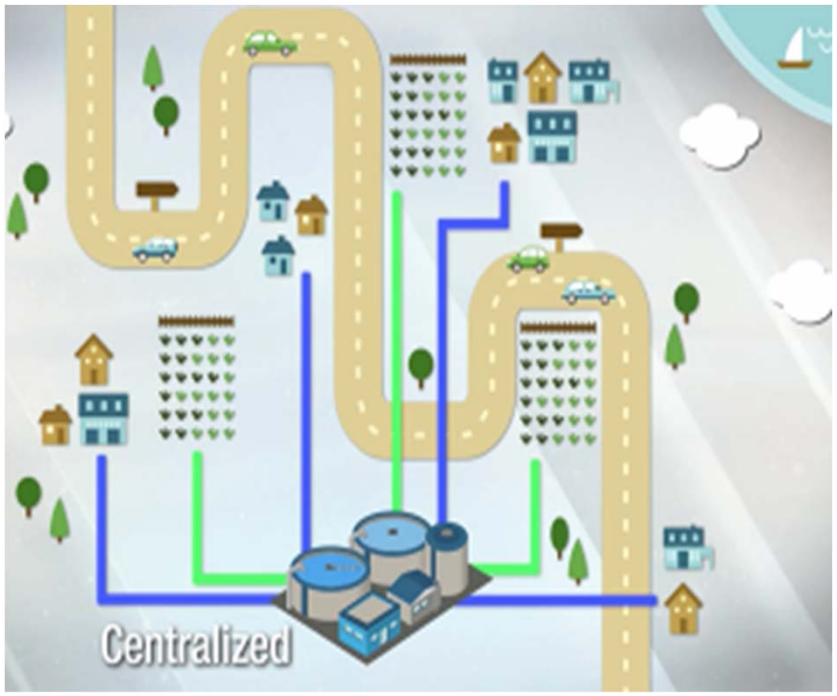
Growing Global Water Crisis Now

Urgent Need For Affordable, Fast-to-Deploy Solutions

Water shortages affect 2.7B **now**
2.4B lack proper wastewater treatment **now**
An additional population of 2.1B need upgraded treatment
Population growth from 7.4B in 2016 to 9.1B in 2050
60% increase in global food production by 2050
Manufacturing water demand will grow 400% by 2050
Global water consumption to double by 2050
Results in 40% water deficit by **2030**
By **2025**, two-thirds of the world will face water shortages

Sources: WWF, Water Scarcity, 2014; US Geological Survey, 2015; UN World Water Development Report, 2017; Water for Food, UNCTAD, 2011.

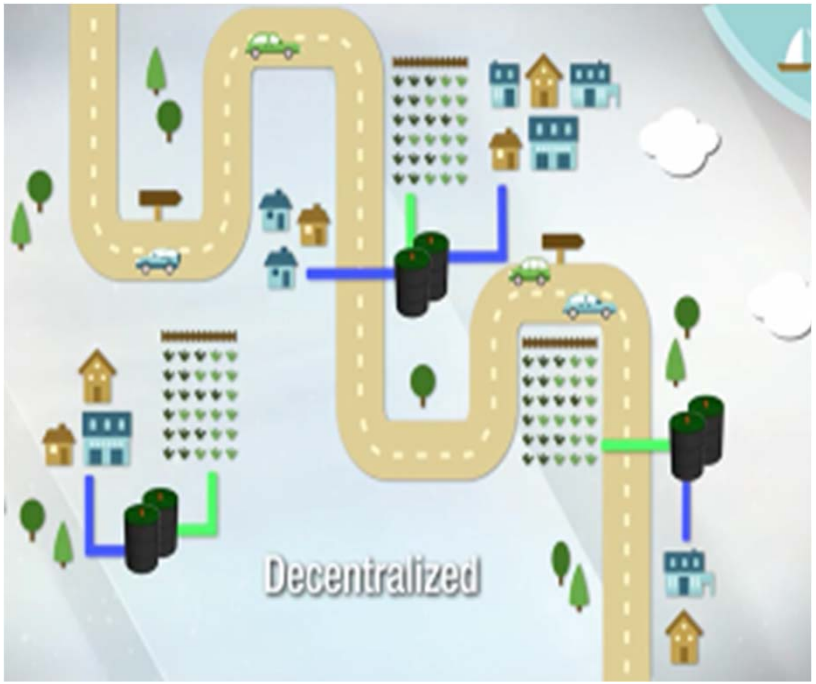
Today's Large Centralized Solutions Do Not Address the Growing Demand



- **Large centralized plants:** CapEx and OpEx are inefficient and demand massive in-ground infrastructure, which takes too long to deploy
- **Developed world:** Rusting pipes and growing communities drive pipe replacement: $1M – $10M+/km, plus pumping and storage
- **Very costly to upgrade:** Fixing and upgrading water infrastructure is not viable, estimated to cost $1 trillion+

Source: Global Water Intelligence, *Global Water Market 2017 Volume 1*

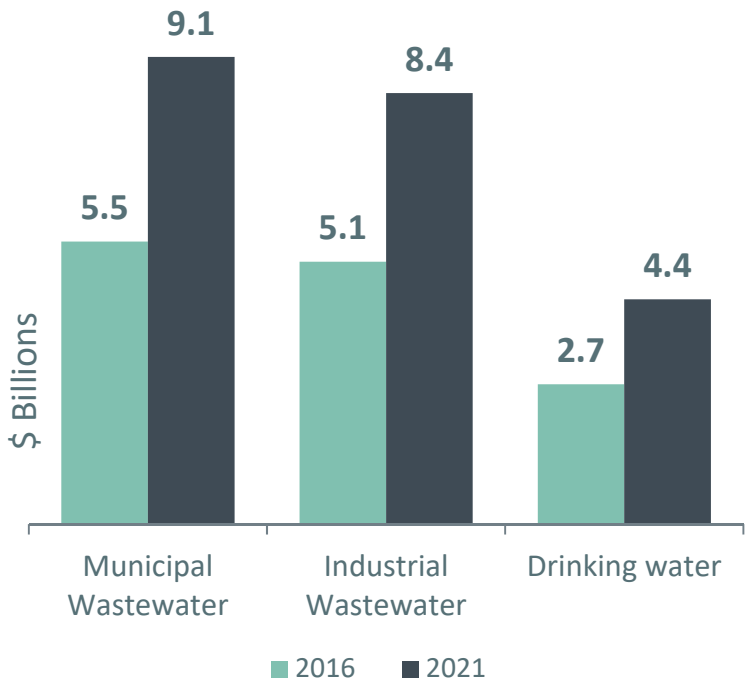
Decentralized Packaged Treatment Plants: The Solution For Global Water Needs



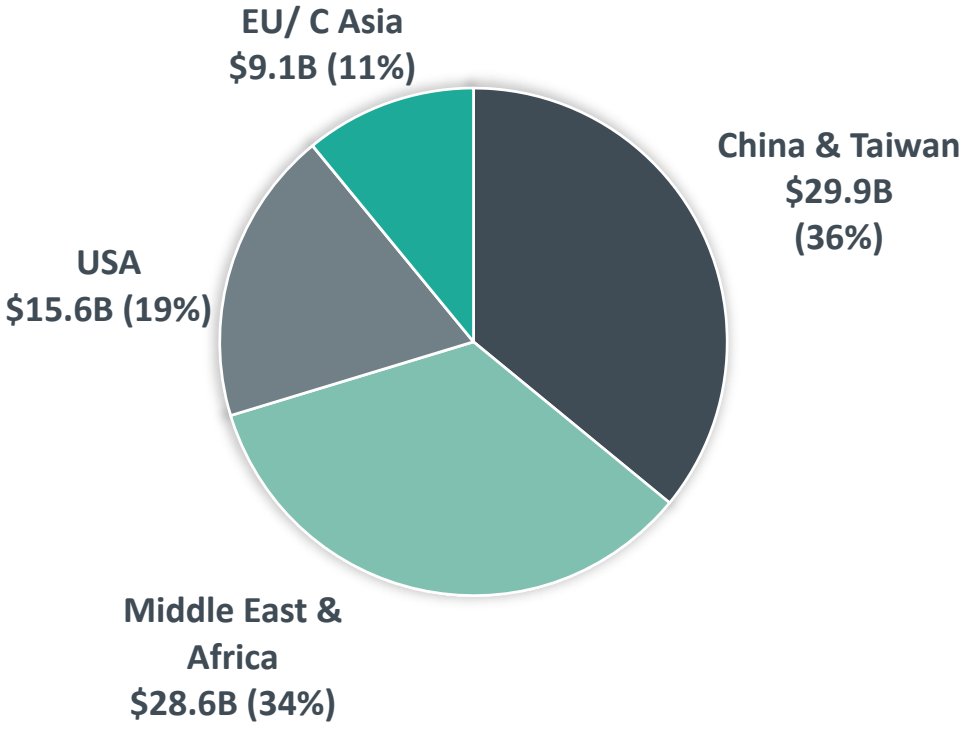
- **Smart Packaged Plants** provide a fast, cost effective ‘plug and play’ solution
- Smart Packaged Plants enable **remote monitoring and operation, substantially reducing OpEx**
- Point of Use **Decentralized Plants require short and limited in-ground infrastructure,** saving 25% CapEx and 40% OpEx for new install and upgrades
- Localized water treatment and reuse **avoids need for large, costly installed base**, reduces water and energy demand
- Multiple decentralized plants help mitigate man-made or natural disasters

Target Markets Growing Rapidly

Smart Packaged Plants:
Global market growing from
$13.3B to $21.8B (2016 to 2021)



$83B in Planned CapEx
Desalination and Reuse plants
(Cumulative 2017 to 2022)



Sources: MarketsandMarkets Analysis, Global Water Intelligence, company estimates

Market Positioning

An Established Global Player with Differentiated Products Serving Growing Markets

US$700B global water market – tighter rules, urgent needs

Only global, pure play water & wastewater treatment company

Targeting fastest growing segments

Smart packaged plants deliver best-in-class performance

MABR ramp starting in China

First SUBRE contract won

Global team of 330+ experts

Strong balance sheet to execute plan

Result: Sustained Revenue and Margin Growth, Increasing Recurring Revenue

Large Diversified Client Base

Fluence focuses on decentralized, packaged water and wastewater treatment solutions for customers across the industrial, commercial and municipal sectors

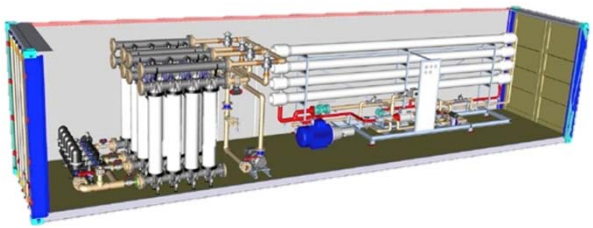
Historical and Existing Customers and Partners

Strategy

- Focus on decentralized solutions to water & wastewater problems
- Migrate from legacy EPC projects to Smart Packaged Plants – this enables more repeat orders, faster delivery, higher margin
- Secure growing BOT pipeline funded via debt partner, which increases recurring revenue
- Target China's rural wastewater treatment opportunity with Aspiral™ Smart Packaged Plants based on proprietary and patented MABR technology
- Leverage partners to accelerate pipeline, bookings and revenue growth
- Maintain high top-line growth and target EBITDA positive during 2019

Why Smart Packaged Plants Win: Case Study

Deploy in 1/3 of the time, at 37% lower cost and capture more value



"South Africa's first mobile desalination plant"
Global Water Intelligence

Typical Custom Desalination Plant

- ✗ Long time to complete (18+ mos)
- ✗ High capex
- ✗ Fixed site, hard to upgrade

Fluence Desalination Plant

- ✓ One-third of construction time
- ✓ Capex = 37% less
- ✓ Easy to upgrade as required
- ✓ Easy to relocate – mobile
- ✓ Lower energy use

Smart Packaged NIROBOX™ Plants Deliver Water Fast

The growing demand for potable water due to climate change requires fast deployment of robust, reliable water desalination solutions

Large, custom desalination plants require long development time - environmental, site, interconnection and financing

NIROBOX™

- **NIROBOX™** is a field proven solution that addresses the mid market
- **Shorter time-to-water** the ideal solution for drought stricken areas
- **Lower** Initial **CapEx**
- **Modular** and **Scalable** approach that can suit any site requirements, enabling fast delivery, integration, commissioning and operation.

Advanced Technology:

- High availability
- Lower OpEx costs
- Online monitoring for improved efficiency

NIROBOX™ Family of pre-engineered water treatment solutions, fully assembled in a standard 40ft container, ready for rapid deployment and operation

NIROBOX SW

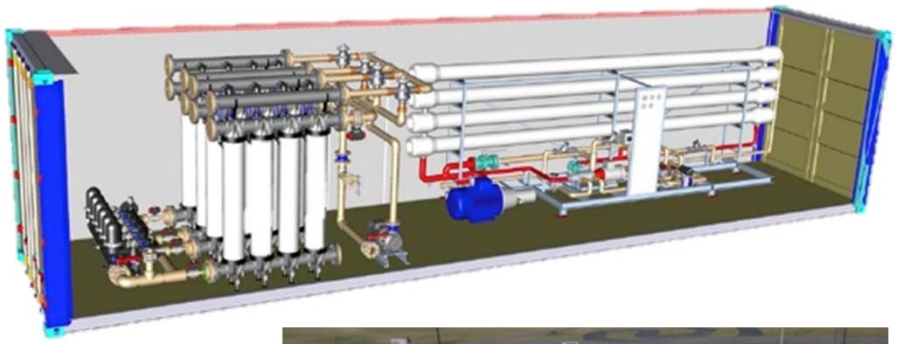
NIROBOX BW

NIROBOX FW

Smart Packaged Plants Drive Rapid Sales Growth

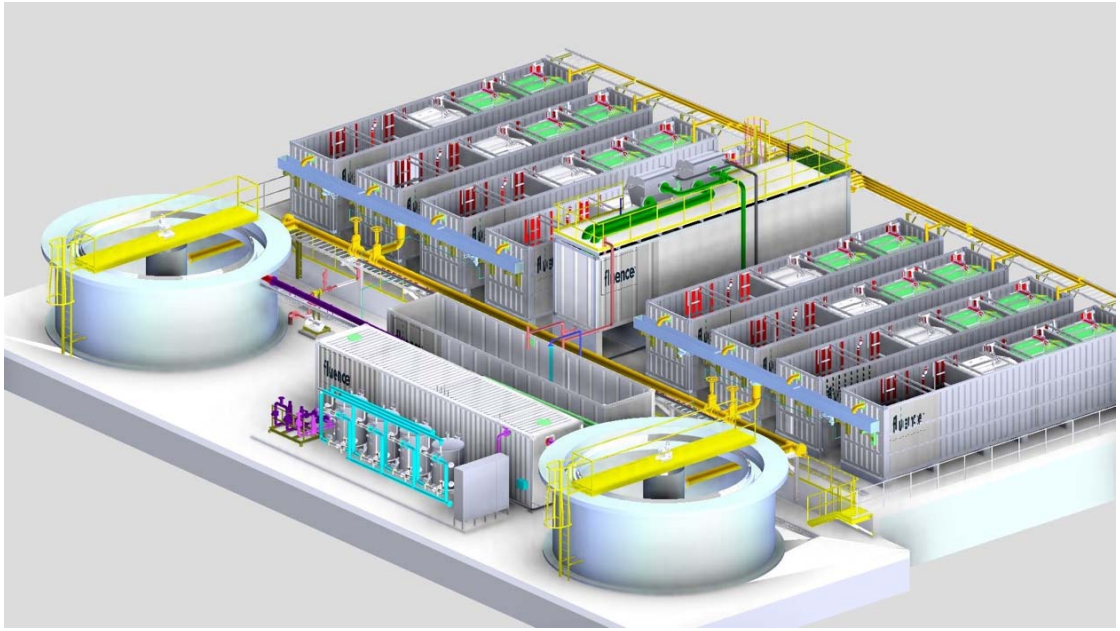
Nirobox Smart Packaged Plant

- Containerized mobile desalination plant for easy deployment globally
- Wins contracts by saving energy, cost, time to deployment
- Higher gross margins
- Introduced in 2015 with immediate market adoption

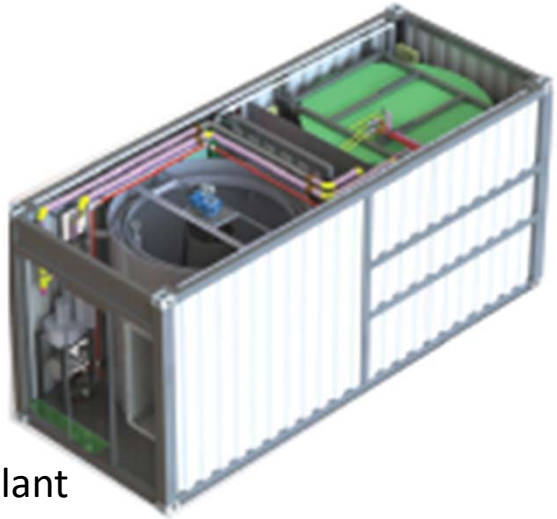


aspiral™ Smart Packaged Plants Enable Fastest Path to Revenue

fluence



1,000 m^3/day plant serves 5-10K people



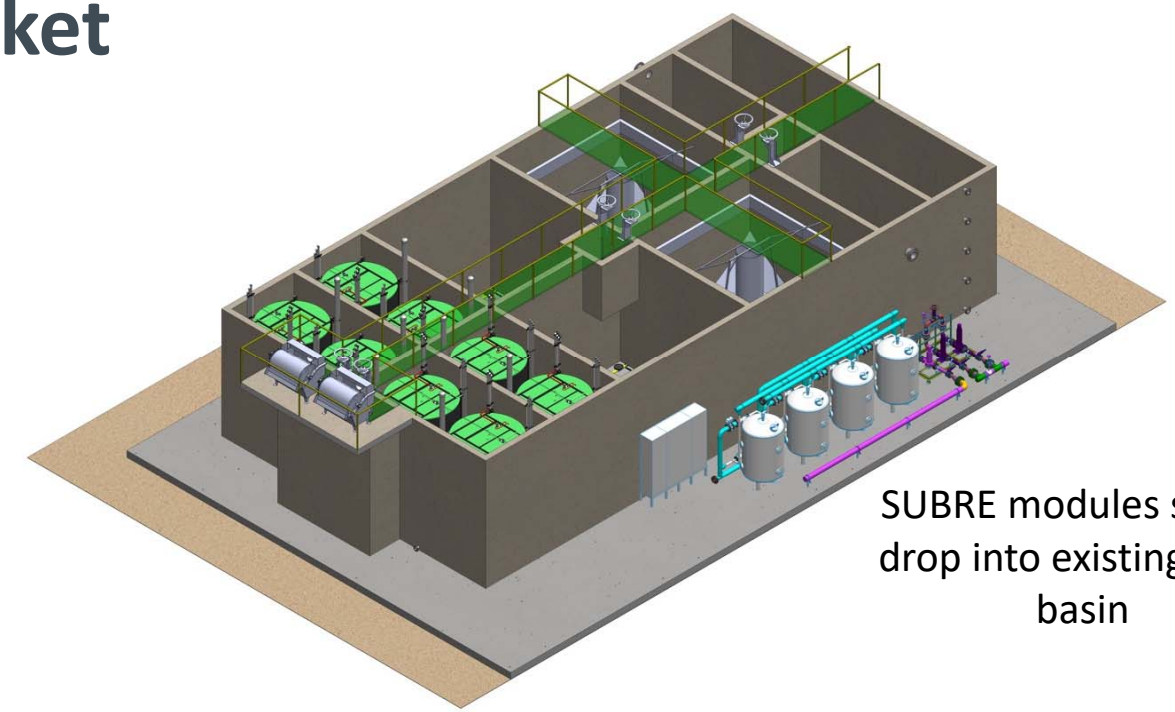
50 m^3/day plant serves village

MABR Module made in Changzhou factory

Aspiral™ Smart Packaged Plants using MABR Technology

- Containerized, mobile and low energy distributed wastewater plant treats from 20 m^3/day – 5,000 m^3/day of raw municipal wastewater
- The key to capture a large portion of the vast Chinese market
- Locally made plants equal faster time to revenue
- Introduced in 2017 targeting China and global markets

SUBRE (Submerged MABR) Opens Large New Market



SUBRE modules simply drop into existing plant basin

SUBRE

- Submerged MABR upgrades **centralized plant** capacity up to 100K m^3/day, improves efficiency and compliance **without chemicals**
- Fast upgrade – fully operational within a month
- Average Fluence revenues US$4.5M/plant, thousands of plants need upgrading
- High margins
- First full-scale SUBRE contract secured

Proven Industrial Waste-to-Energy Solutions

Onsite production of energy reduces electricity and gas consumption

High-quality, treated effluents meet the most stringent requirements

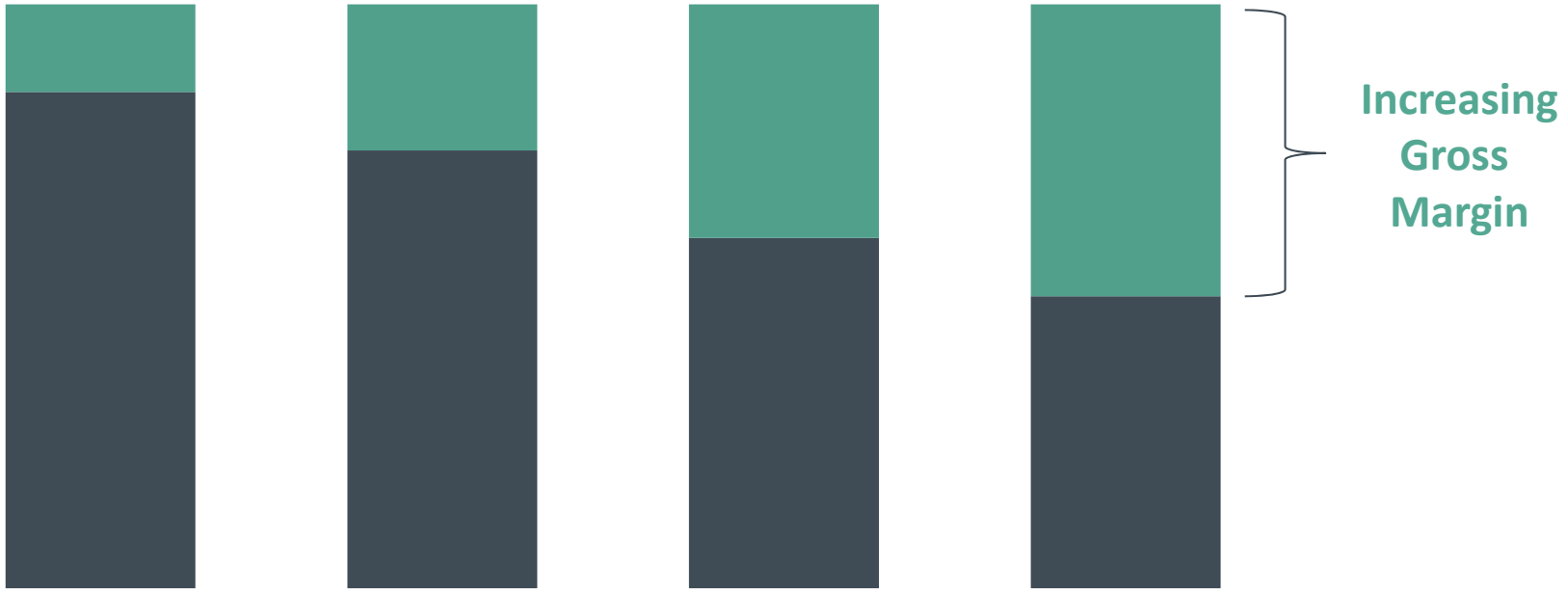
Reduction of sludge volume by up to 90%, significantly reduces landfill waste

Output can be used as a fertilizer

Reduces greenhouse-gas emissions

Dominant in local market sectors, 100% reliable, low operation and maintenance requirements

Critical Success Factor:
Target Growing Gross Margin



	Large Project	Smart Packaged Plant	Proprietary Smart Packaged Plant	Proprietary Product
Example:	$100M Africa Project (MoU signed)	NIROBOX™	Smart Packaged MABR	SUBRE

Well Positioned for Huge China Opportunity

Aspiral™ Smart Packaged MABR Plants

China's 13th 5 year plan provides US$15 Billion funding for rural wastewater treatment

Fluence MABR uniquely qualified for this market

Fluence has established multiple channel partnerships in China

Shipment of Commercial Packaged Plants has commenced

Local supply of flagship MABR product from our plant in Changzhou

Strong Pipeline of Aspiral™ Wastewater Treatment Plants

First commercial contracts through strategic channel partners in Henan & Guizhou Provinces

Anticipated China Revenue Ramp

- 2016 – Secured 4 initial partnerships
- 2017 – Deployed and proved 6 demo plants, closed contracts for initial 2 commercial plants – 36 MABR units, total of 9 partners
- 2018 – Expected to book and ship increasing commercial contracts via 15 partners; secure national-level partnerships and ministry-level contacts
- 2019 – Anticipated substantial step up from 2018 revenues
- Total market estimate still $15B, actual ramp point hard to project

Compelling Global Position Diversifies Revenue

Product	Market	Competitive Advantage	Proof Points
Aspiral™ - Smart Packaged MABR	Decentralized wastewater: $9.1B in 2021 + $15B in China	Up to 90% less energy, halves OpEx, fast time to market	**Plants in USVI (US EPA certified), California (approaching Title 22 certification), 8 in China, 2 in Ethiopia, 2 in Israel**
SUBRE	Thousands of plants, $2B+/year	Avoids toxic chemicals, big energy saving, improves nitrogen removal	**Full-scale field testing and first contract now - low-risk, as based on proven MABR technology**
Smart Packaged Plant – Purification (NIROBOX™, Ecobox)	Decentralized water plants: $4.4B in 2021 Solves emergencies	Deploy in 6 months, versus 18-24 months Lower CapEx, OpEx, footprint Mobile	**Plants globally including EMEA, Latin America, Asia Pacific**
Waste-to-Energy	Industrial market $8.4B in 2021	Proven expertise and dominant in local market	**Dominant in Italian sectors Signing top international processors**
BOT/Recurring Revenue	Water and wastewater treatment	Own source of financing; expert at managing risk	**San Quintin, $48M CapEx + 30 year O&M ($10M/year)**
Large EPC Projects	Multi-billion market	Global player, active in 70 countries	**African project ($100M+), Mexican BOT, Cyprus, Colombia**

Sources: MarketsandMarkets Analysis, Global Water Intelligence, company estimates

Company Products Satisfy Global Geographies

Geography	Fluence Track Record	Next Steps
China	New entrant: 10 rural wastewater treatment partners 5 working plants **(Wuxi completed)** First commercial orders shipping	Ramp Aspiral wins Sell SUBRE for easy plant upgrade Secure national-level partnerships & ministry-level contacts
North America	Pioneer in packaged wastewater treatment (Tipton PWWTP, as RWL Water)	Migrate to Aspiral and SUBRE sales
Latin America	Dominant provider of water purification to Coca Cola Recycle Oil & Gas produced water Desalination and waste-to-energy installations	Add Nirobox, Aspiral and SUBRE sales Continue to ramp waste-to-energy
Africa & Middle East	Desalination and water purification plants	Keep ramping Nirobox sales Add Aspiral, SUBRE
Europe	Leading waste-to-energy player	Add Aspiral, SUBRE in EU; globalize waste-to-energy success

Guidance: Metrics to Track Success

Backlog Mar 31, 2018	• $96M of which $68M in 2018 revenue + $10M in Q1
Revenue for 2018	• $105 - 115M (up 80-100% on 2017)
Gross margin for 2018	• $22 - 25M
Recurring revenue	• Increasing BOT projects via off-balance sheet finance
New products	• SUBRE first contract success, general intro by Q2 2018
Profitability	• Still targeting at least one profitable quarter in 2019

*The above figures reflect guidance provided to the market and are only estimates

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Appendix

Corporate Overview

Capital Structure as at 30 April 2018	ASX: FLC
Ordinary Shares on Issue	415M
Options on issue	54M
Share Price	A$0.43
Undiluted Market Capitalization	A$178M
Current Cash (31/03/2018)	US$58.3M
External debt (except non-recourse project debt)	<US$2M
Liquidity (avg. shares traded per day for last 3 months)	525,810

Top Holders ASX: FLC	Shares (M)	% of FLC
RSL Investments	110.9	26.7
Pond Ventures	36.3	8.7
Plan B Ventures	20.0	4.8
ESOP Management Trust	17.8	4.3
Capital Group	14.8	3.6
Other top 20	108.1	26.0
Top 20 total	307.9	74.1

Board of Directors

Richard Irving – Executive Chairman
Henry Charrabé – Managing Director & CEO
Peter Marks – Non-Executive Director
Robert Wale – Non-Executive Director
Arnon Goldfarb – Non-Executive Director
Ross Haghighat – Non-Executive Director
Dr. Rengarajan Ramesh – Non-Executive Director
Ross Kennedy – Board Advisor & Company Secretary

Executive Management Team

Henry Charrabé – Managing Director & CEO
Philippe Laval – Chief Operating Officer
Francesco Fragasso– Chief Financial Officer
Erik Arfalk – Chief Marketing Officer
Spencer Smith – Chief Legal Officer
Ronen Shechter – Chief Technology Officer
Ilan Wilf – Global VP Sales
Yaron Bar-Tal – Global VP Product Development

World-Class Board and Leadership

Management Team

Henry J. Charrabé
Managing Director & CEO
- Former CEO of RWL Water
- Over 10 years' water industry experience

Philippe Laval
COO
- Former COO of RWL Water
- 28 years' environmental operating experience

Francesco Fragasso
CFO
- 20 years' finance experience in renewable energy and water treatment

Erik Arfalk
CMO
- Over 15 years' marketing strategy experience

Ronen Schechter
CTO
- Co-Founder of Emefcy
- Over 25 years' water technology experience

Ilan Wilf
Global VP Sales
- Over 22 years' water industry experience
- Former VP Sales of Emefcy

Yaron Bar-Tal
Global VP of Product Development
- 15 years' R&D management experience
- Former VP Engineering of Emefcy

Spencer D. Smith
CLO
- Over 10 years' corporate law and M&A experience
- Former GC of RWL Water

Board of Directors

Richard Irving
Executive Chairman
- 35 years' tech and Venture Capital experience
- US$3B value created

Henry J. Charrabé
Managing Director & CEO
- Former CEO of RWL Water
- Over 10 years' water industry experience

Rengarajan Ramesh
Non-executive Director
- Former CTO of GE Water
- 30 years' operating, acquisition and tech experience

Ross Haghighat
Non-executive Director
- 30 years' tech and Venture Capital experience
- US$4B value created

Arnon Goldfarb
Non-executive Director
- Over 30 years' industrial experience

Robert Wale
Non-executive Director
- Over 30 years' water industry experience

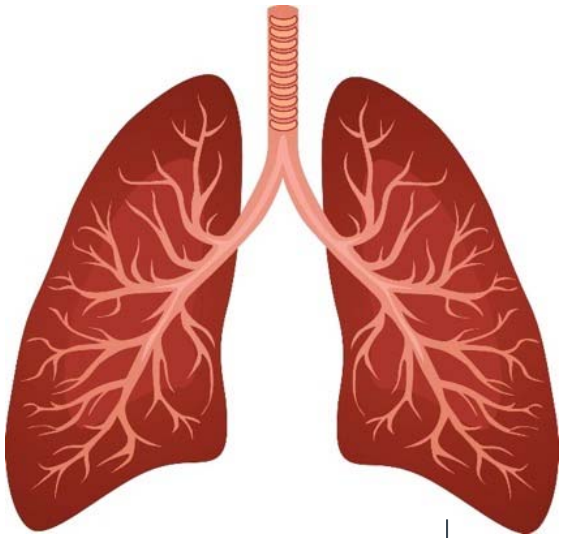
Peter Marks
Non-executive Director
- 30 years' capital markets experience

Ross Kennedy
Company Secretary & Advisor to the Board
- Over 10 years' experience as Company Secretary

How MABR Works

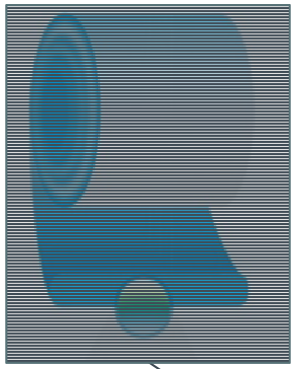
MABR - Inspired by Nature

1. Air breathed in

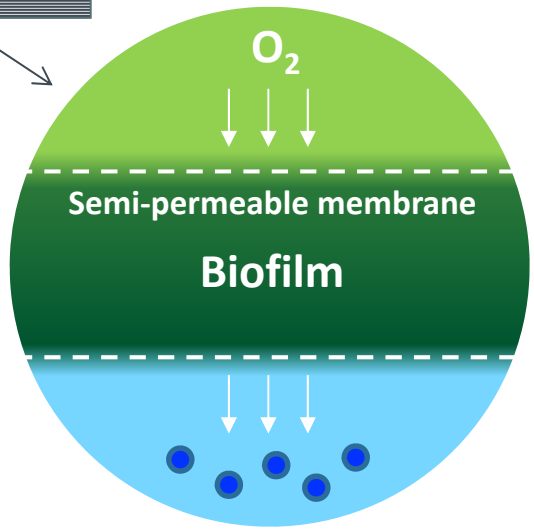


2. Oxygen dissolved naturally into blood through lung material

3. Blood (with oxygen) flows out



1. Air passes through



2. Oxygen dissolves naturally into wastewater through membrane

3. Wastewater picks up oxygen to digest waste

Positioning for Growing Opportunities in USA

North America Decentralized Market already $2.8B in 2016, expected to reach $4.1B by 2021*

<u>Demo Plant at Codiga Resource Recovery Center (CR2C) at Stanford University</u>

- Commissioned in January 2018 to allow for observation and testing of compliance with California's strict Title 22 reuse standards
- Serves as reference site for potential clients, who can see a C-MABR unit in operation
- Key applications: wastewater treatment, nitrification/denitrification, phosphorous removal and reuse

***Source:** MarketsandMarkets Analysis