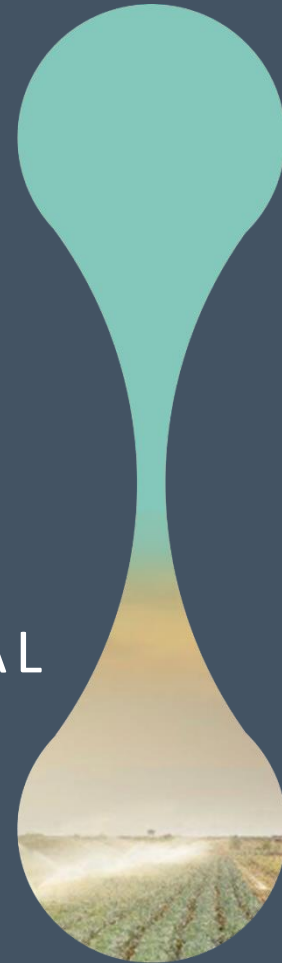




BELL POTTER ENVIRONMENTAL
CONFERENCE 2023
Investor Presentation

NOVEMBER 2023



Sustainable Water Solutions



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COMPANY OVERVIEW



Executive Summary

New and Highly Experienced Leadership	<ul style="list-style-type: none">• Over 100 years of experience in the water and wastewater treatment industry• Chairman, CEO, CFO, and CCO all joined within the last two years• Notable turnaround experience and a number of highly successful exits leading to material returns for shareholders
Strategic Shift to Higher-Margin Revenue Segments	<ul style="list-style-type: none">• Restructuring and realignment announced in Q4 2022 – substantially reduced overhead and enhanced cross-selling and collaboration• Focusing on high-margin Smart Product Solutions (“SPS”) and Recurring Revenue• Transitioning from lower-margin and higher-risk Custom Engineered Solutions (“CES”)• Pipeline conversion (new orders) showing success of new strategy
New Focus on Large, High-Growth End Markets	<ul style="list-style-type: none">• US Environmental Protection Agency (“EPA”) has assessed the need to spend >\$200B in municipal water and wastewater treatment plant upgrades over the next 20 years to meet required standards• Global High-Strength Wastewater and Wastewater-to-Energy market estimated to be \$6B
Proven and Established Technology and Product-line	<ul style="list-style-type: none">• Over 800 global installations• Membrane Aerated Biofilm Reactor technology (“MABR”) is the lowest cost wastewater treatment technology for new effluent standards being adopted globally• Major decarbonization initiatives in North America and Europe create significant demand for Wastewater-to-Energy projects• Fluence has 41 installed anaerobic digester plants, typically used in Wastewater-to-Energy applications• Water reuse applications (such as semiconductor chip manufacturing) and lithium mining to drive growth in industrial markets
Leading ESG Impact	<ul style="list-style-type: none">• Fluence MABR and Wastewater-to-Energy technologies are highly energy efficient and lower CO₂ and other harmful contaminants
New Contracts Highlight Improving Financial Outlook	<ul style="list-style-type: none">• Shift in strategy to deliver sustainable revenue growth and higher margins• Large and growing sales pipeline driving strong new contract momentum• €48M Ivory Coast Addendum positions Fluence for long term O&M contract• US\$16M in SPS projects recently announced• Contracted backlog (Orders in hand) currently stands at US\$119M and forecast to be US\$135M by year end

World Class Management Team

Newly appointed management team with significant experience in water treatment leading to multiple successful exits



DOUG BROWN

Chairman

- Fluence BOD Advisor May 2022, BOD Chairman March 2023
- Ionics Incorporated (NYSE: ION) – membrane based water purification systems
 - Product Manager (1976-1983)
 - CEO (2003-05)
 - ✓ Achieved significant business turnaround
 - ✓ Increased entity value from \$350 million to \$1.3 BN in less than 2 years
- MIT Chemical Engineering, Harvard MBA



BEN FASH

Chief Financial Officer

- Joined in January 2023
- Prior to joining Fluence, CFO at Dumas Mining (2021-22)
- Newterra – Leading provider of modular water and wastewater treatment solutions
 - EVP Corporate Development (2012-2015)
 - CFO (2015-21)
 - ✓ Significant turnaround – EBITDA growth from \$0 to \$14.5M
 - ✓ Successfully exited in October 2020
- BA in Economics & Legal Studies from Williams College



TOM POKORSKY

CEO and Managing Director

- Joined in March 2022
- Nexom Inc. – dedicated to selling technology and equipment in the nutrient removal sector of wastewater treatment
 - CEO and Founder (2016-19)
 - ✓ Realized a revenue CAGR of over 25% and EBITDA CAGR of 50%
 - ✓ Exited less than 4 years after startup with an ROI exceeding 40%
- B.S. Civil Engineering (1974), Marquette University



RICK CISTERNA

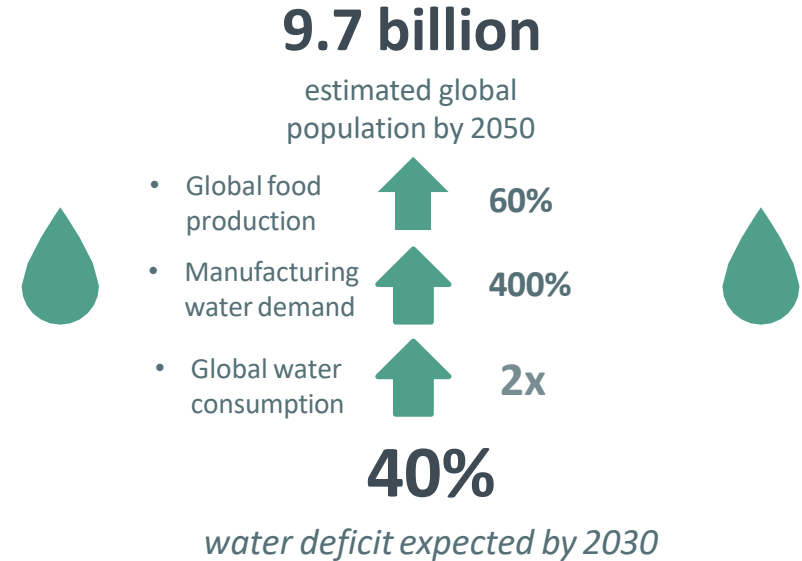
Chief Commercial Officer

- Joined Fluence in Dec 2021
- 30 years of water industry management experience, \$1B in contracts; \$100M in recurring revenue
- President of several renewable energy and water infrastructure development companies focused on build, own, operate, finance model
- Stanford University – MS Environmental Engineering
 - Full scholarship and honors fellowship
- University of Nevada, Reno – BS Civil Engineering
 - Top graduating senior, College of Engineering

The Water and Wastewater Market Opportunity is Large and Growing

Wastewater treatment, water re-use, and Wastewater-to-Energy is becoming increasingly more important as the world seeks to address a growing global water scarcity crisis

- 2.3 billion people live in water-stressed countries, of which 733 million live in high and critically water-stressed countries. (UN-Water, 2021)
- Global Water and Wastewater Treatment market is expected to grow at a CAGR of 5.4% from 2022 to-2032 to reach \$957B by 2032⁽¹⁾
- EPA has assessed the need to spend >\$200B in municipal water and wastewater treatment plant upgrades over the next 20 years to meet required standards ⁽²⁾
 - Estimated that the US makes up ~40% of global market ⁽²⁾
- Global High-Strength Wastewater and Wastewater-to-Energy market sized estimated to be \$6B



	Wastewater		Water
Municipal	Decentralized wastewater & reuse \$10B+ market 303 MABR plants deployed ⁽³⁾ 100% proprietary tech	Large plant new-build & upgrade \$79B market 28 MABR plants deployed serving 440K people 100% proprietary tech	Decentralized drinking water \$8B market 48 plants deployed
Industrial		Hard-to-treat industrial wastewater & Wastewater-to-Energy \$6B market ⁽⁴⁾ 42 plants deployed Proprietary solution	Industrial water \$3B market 328 plants deployed

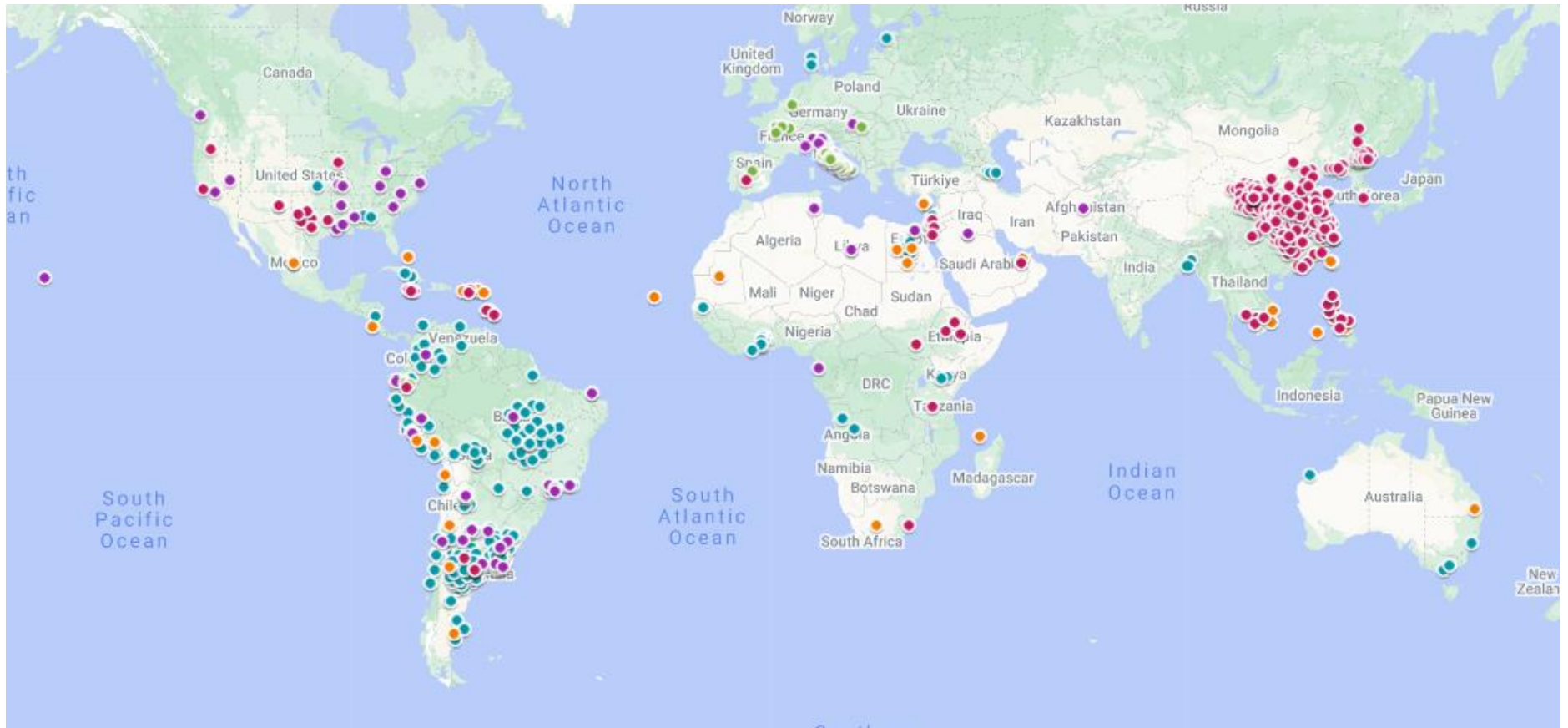
(1) Water and Wastewater Treatment Market by Type, Offering, Application, and Geography - Global Forecast to 2032; June 2023, Meticulous Research.
 (2) US EPA.
 (3) Plus 30 legacy technology wastewater treatment plants.
 (4) Independent estimate.



Proven and Established Products and Technologies

Trusted brand with extensive installation base with 877 installed plants across the world

TOTAL PLANTS: 842 ● MABR - 354 ● Anaerobic Digestion - 41 ● Other Wastewater - 80 ● NIROBOX - 34 ● Other Water - 368



Excluding Aerators and Tipton sales

Leading ESG Impact in Water Treatment

Sustainability Impact from Fluence's Installations

MABR & NIROBOX

Wastewater-to-Energy



39 GWh / year

in energy savings vs conventional technologies mitigates 27,300 Tons CO² / year



182 GWh / year

clean energy from biomass mitigates 128,600 Tons CO² / year

Reuse

Water

Wastewater



19Bn Liters Water Recycled / year



222Bn Liters Drinking Water Produced / year



320Bn Liters Wastewater Treated / year

- ✓ MABR installations remove >2,000 tons of nutrient pollution/year
- ✓ Lowers Nitrous Oxide emissions by 306 tons/year

Committed to UN Sustainable Development Goals

- Fluence technologies are highly energy efficient (MABR, desalination) and lower CO² and other harmful contaminants
- Fluence is committed to ESG and delivers on 10 of the 17 UN SDGs



Fluence Business Segments

The water and wastewater treatment market is highly fragmented, offering a direct opportunity for Fluence to focus on unserved markets

DECENTRALIZED MUNICIPAL WATER & WASTEWATER (“DMWW”)

- Market-leading MABR technology
- Proven products for multiple use-cases:
 - Modular: Aspiral and Nirobox
 - Larger Greenfield & Retrofit: SUBRE
- Significant global installation base



HIGH-STRENGTH WASTEWATER & Wastewater-to-Energy (“HSWW”)

- Process design more efficient than competition
- Technological expertise and robust installation base
- Deep knowledge of the food & beverage market including the production processes
- Turnkey system delivery (technology + equipment)
- Smaller footprint compared to competitors



SPECIALIZED INDUSTRIAL WATER (“SIW”)

- 30 years of experience in South America
- Extensive reference list in target market
- Deep and experienced Engineering Team



SOUTHEAST ASIA & CHINA (“SEA & China”)

- Market Leader in MABR
- Large Installed Base
- Reference in High Concentration NH3 and TN Removal
- Presence across Asia



OPERATIONS, MAINTENANCE, PARTS & SERVICE



BUILD, OWN & OPERATE (WATER-AS-A-SERVICE)

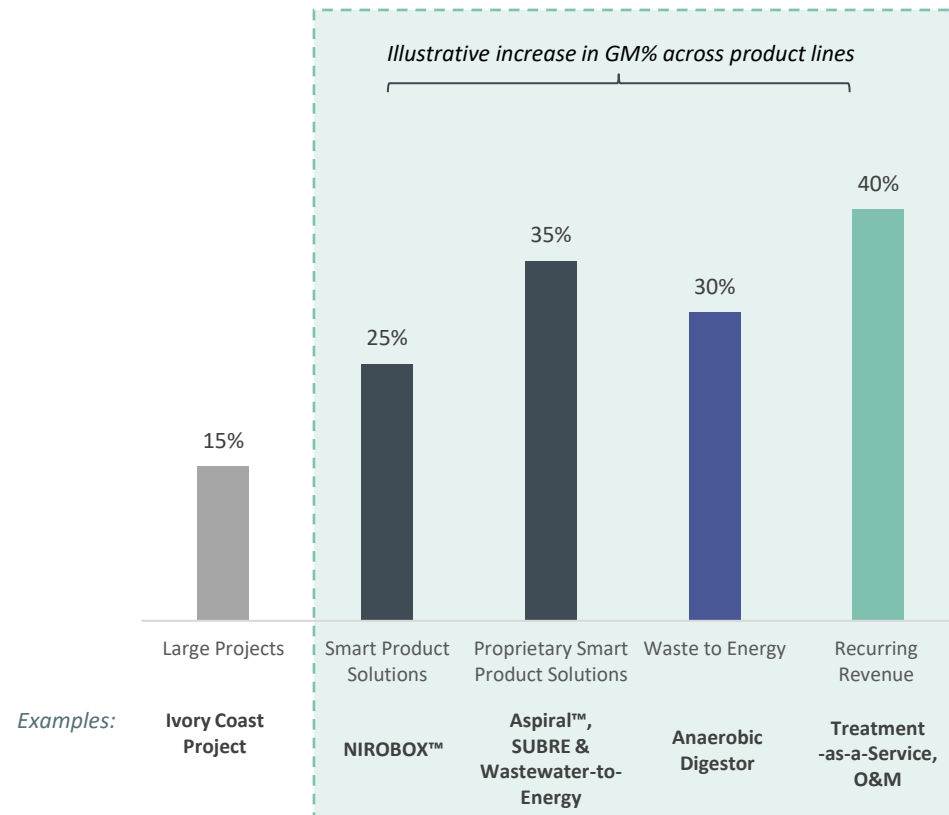


Shifting Focus on Smart Product Solutions (“SPS”) and Recurring Revenue

Focusing our business on SPS significantly improves profitability, recurring revenue and growth

- **Stronger Focus on SPS:** Ramping sales of our unique, proven water and wastewater treatment solutions
 - + Proven technology deployed rapidly & widely
 - + High margin and capital efficient
 - + Highly attractive recurring revenue model
 - + Target markets can leverage additional capital with high IRRs
 - + Higher growth segment within water
 - + SPS revenue to increase significantly as a percentage of total revenue in the medium term
- **Transitioning Custom Engineered Solutions (CES):**
 - + Emphasis on Fluence technology and O&M contracts

TRANSITION TO HIGHER MARGIN SEGMENTS



Fluence Proprietary Technology - MABR

MABR technology disrupts \$100bn wastewater treatment market

MABR Technology



- Air is supplied to a spirally wound, semi permeable membrane
- The MABR spiral is submerged in the mixed liquor

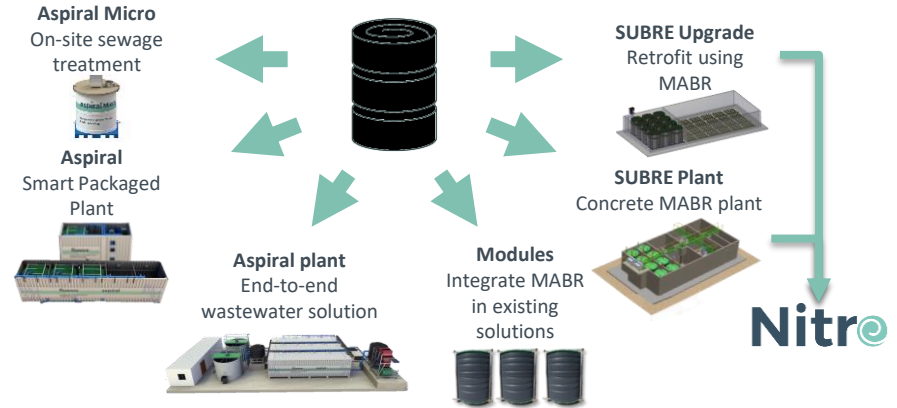


- An air spacer inside the sleeve allows low pressure air flow
- A water spacer defines the water volume in contact with the membrane



- Intermittent mixing causes wastewater to circulate through the spiral
- An aerobic nitrifying biofilm develops on the surface of the membrane

MABR Configurations



Fluence Smart MABR Beats Competing Technologies ¹

30+% overall lower TCO vs competing technologies ⁽¹⁾

TCO improvement using Fluence Technology

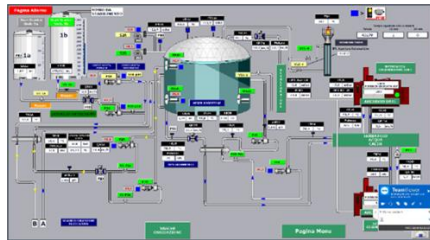
Capex	20+% lower
Opex	50+% lower
Energy Use	40+% lower
Chemical Use	30+% lower

Proven Wastewater-to-Energy Products

Strongly positioned for rapidly growing market

Wastewater-to-Energy & Industrial Wastewater Products

- 41 plants serving meat, fish, dairy, candy processing
- Generate 182 GWh/year clean energy from biomass
- Mitigate 128,600 Tons CO₂ / year



Key Advantages: Wastewater-to-Energy & Industrial Wastewater Products

- Standardized solution for hard-to-treat food & beverage wastewater: excellent references with leading players
- Fast to deploy, fully automated
- Substantially smaller footprint than competition
- Strong recurring revenue potential via BOO, O&M contracts
- Large US RNG market subsidized by Inflation Reduction Act

Business Model

Preferred model:

Energy / Wastewater Recycling as a Service*

Financed by Fluence, customer signs 15–20 year service contract

Capex: \$2.7/\$1 TOP revenue

TOP revenue has 50% EBITDA margin

Unlevered IRR: 15 - 20%+

Equipment Sale

Price: \$3 – 10M

GM: 30%

O&M Value: 10% of price/annum

O&M GM: 30-40%

Payback: 5 years

Recognised Industry Leader

- Fluence awarded the winner of the “Waste to Energy Solutions Provider 2023” by Energy Tech Review
- Energy Tech Review is a leading technology magazine that is at the forefront of information about technology solutions and services



Note: All numbers 3Q 2022; TOP = Take or Pay

Recurring Revenue – BOO, O&M, and Parts & Service

Greater emphasis being placed on high-growth, high-margin recurring revenue segment that is offered across all market segments

Product Offering

- **Build, Own, & Operate (“BOO”)** offers water-as-a-service where Fluence provides the treatment equipment and all required services to deliver water or wastewater to the customer in exchange for a fee for the volume of water or treatment that is delivered. Benefits includes:
 - Take-or-Pay minimum water requirement
 - Long-term contracts: typically 10-15 years
 - Attractive financial returns: 15-20% IRR
- **Operations & Maintenance (“O&M”)** offers the client the option to have Fluence operate their plant for a combination of a fixed and variable fee. Benefits include:
 - Hands off management of their water treatment equipment to experienced Fluence personnel
 - When paired with an equipment sale, decreases the risk of equipment underperformance
 - Maintains commercial relationship with the client after equipment sale and can lead to future equipment sale opportunities
 - Aftermarket Parts & Service leads
- **Parts & Service** provides aftermarket parts and ancillary service from experienced technicians. Benefits include:
 - Parts typically sold at high margins (40-60%)
 - Ongoing relationship with the client

Case Study: Wastewater-to-Energy BOO Project: Confidential Client, USA

Current Situation

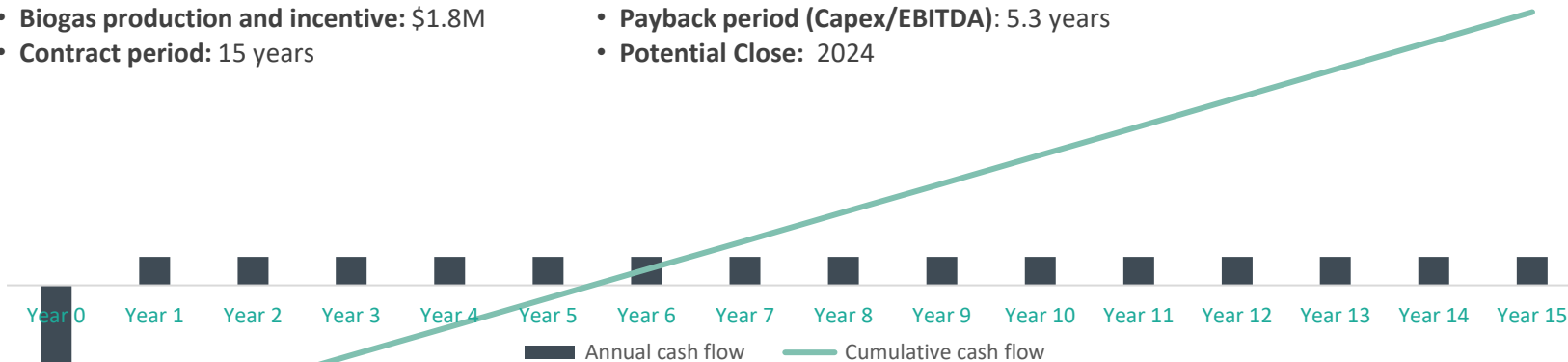
Client needs 9,300 m³/day wastewater treatment for meat processing plant

Fluence Solution

- BOO wastewater treatment, anaerobic digester, biogas to the grid
- Project can be structured in a number of ways to allow for robust economics and benefits from tax credits for both the client and Fluence

PROJECT ECONOMICS

- CAPEX: \$10.1M
- OPEX: \$1.9M/year
- BOO Price: \$0.74/m³
- Biogas production and incentive: \$1.8M
- Contract period: 15 years
- Annual revenue: \$3.8M
- EBITDA margin: up to 50%
- IRR*: 17%
- Payback period (Capex/EBITDA): 5.3 years
- Potential Close: 2024



FINANCIAL SUMMARY

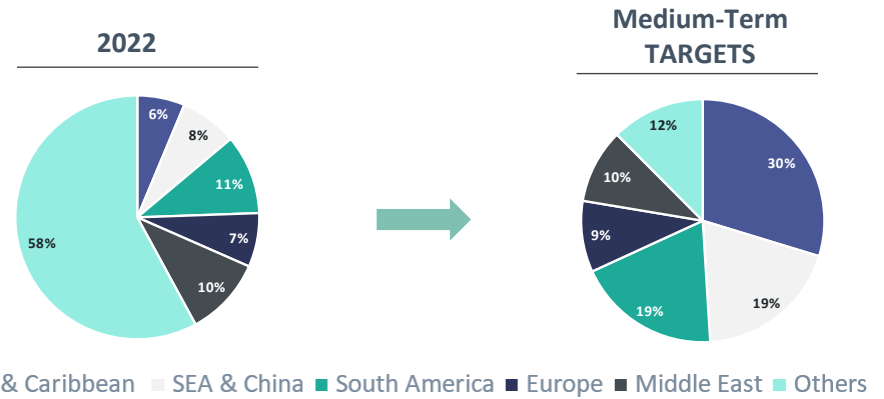


3-Year Vision

Focused on growing presence in North America and transitioning from CES revenue to SPS and Recurring Revenue segments

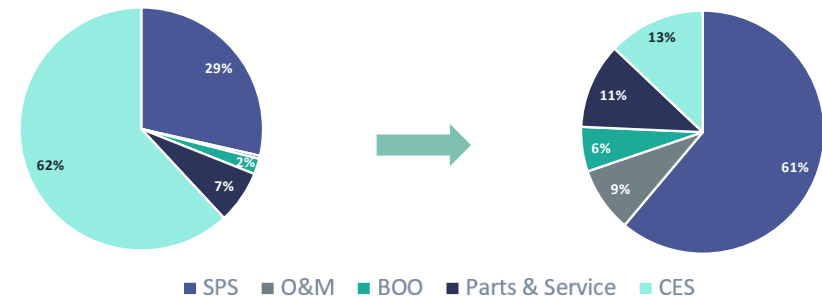
GEOGRAPHY

- Increasing share in North America, Caribbean and SEA



PRODUCTS

- Increasing higher margin SPS and Recurring Revenue



END MARKETS

- De-risked business through broader end market mix



Recent Orders

Fluence has won multiple new contracts highlighting traction against the new strategy and realignment

- **Waste to Energy: US\$8m in New Contracts (18th September 2023)**
 - Three wastewater treatment and waste-to-energy contracts in Mexico and Italy
- **Water reuse in semiconductor industry: US\$8m in New Contracts (18th September 2023)**
 - Two water reuse contracts in Taiwan and Israel
- **€48m Addendum to Ivory Coast contract (13th September 2023)**
 - Federal Government of the Ivory Coast addendum to provide €48m over 12-18 months with potential to lead towards O&M contract

Strong and Growing Pipeline

Investment in sales, particularly in North America, paying dividends through rapidly growing pipeline

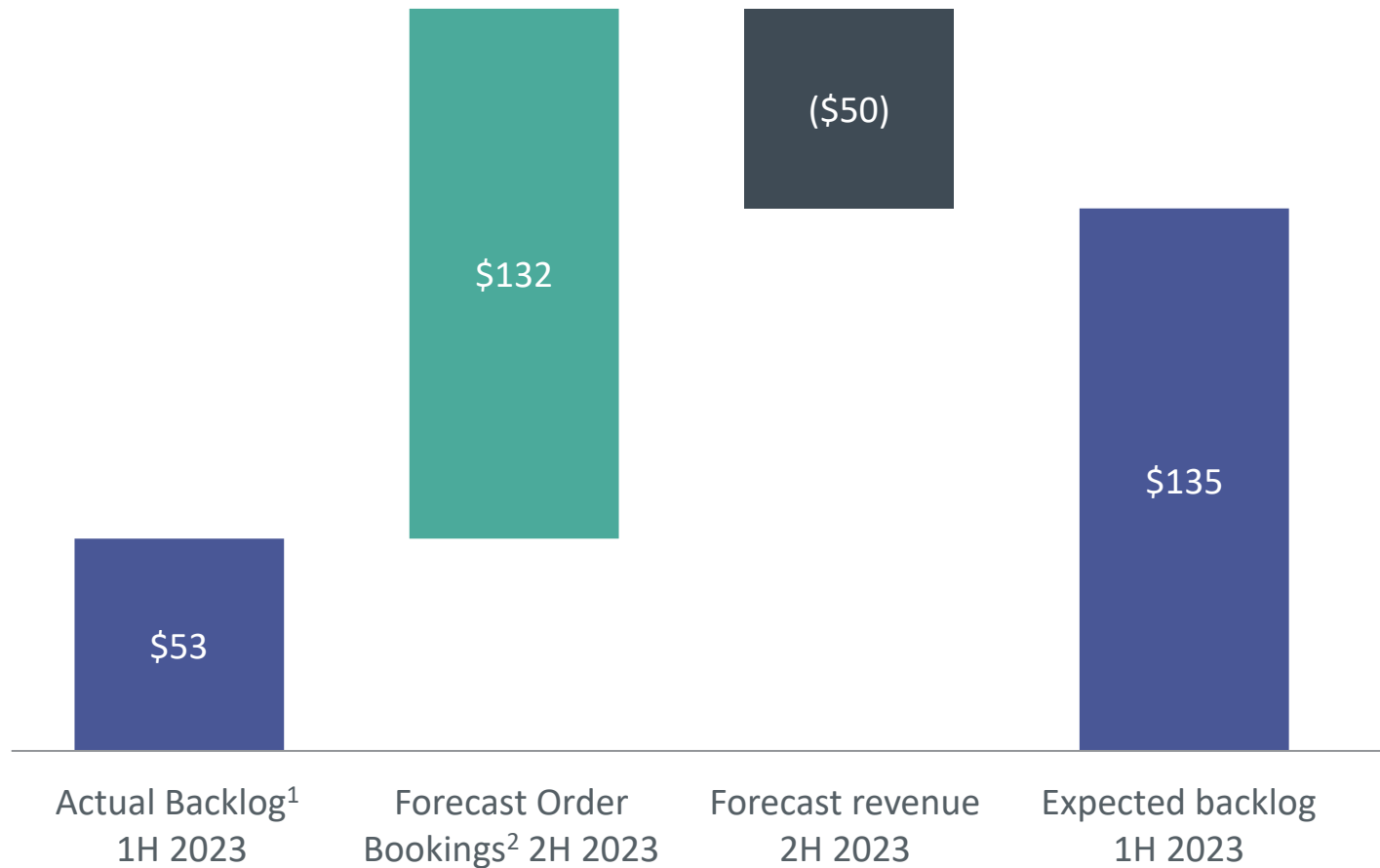
- Total current sales pipeline of \$619M, up from \$332M at the beginning of 2023 ⁽¹⁾
- Pipeline has almost doubled since beginning of 2023, with the highest growth coming from Municipal (99%), HSWW (81%), and SE Asia / China (162%)
 - Geographically, the majority of increase in pipeline has come from North America and SE Asia
- 304 total projects included in pipeline with an average project size (excl. BOO) of \$1.5M
- Highly diversified with no one end market making up more than 25% of the total pipeline (excl. BOO)
- Projecting \$50-60M in new order bookings in H1 2024



⁽¹⁾ Excludes potential Ivory Coast O&M contract of \$180M+.

US\$132M in New Order Bookings Forecast in 2H 2023

New order bookings boosts revenue outlook



(1) Backlog = orders in hand

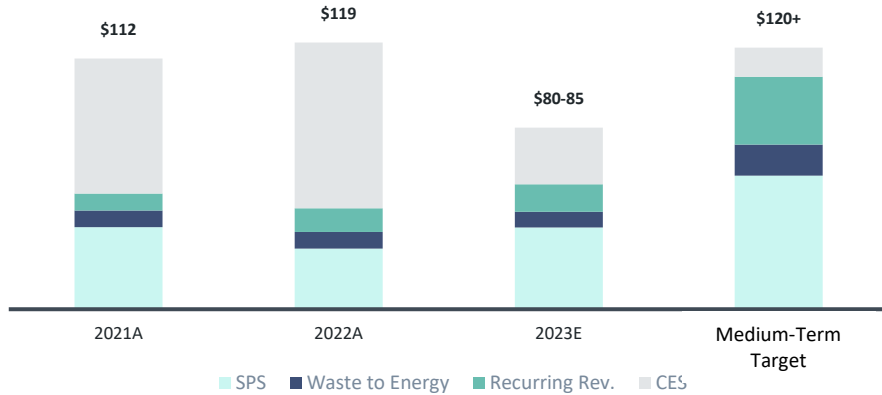
(2) Order Bookings are recently signed and to be signed contracts

Financial Summary

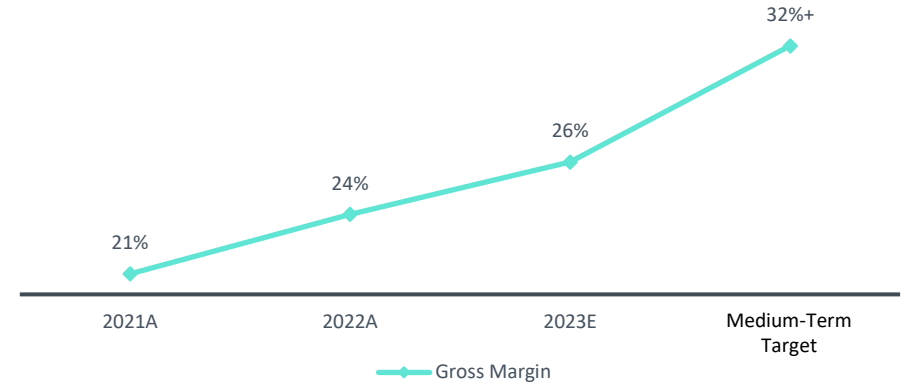
As the business transitions to SPS, Wastewater-to-Energy and Recurring Revenue, profitability increases quickly

Revenue

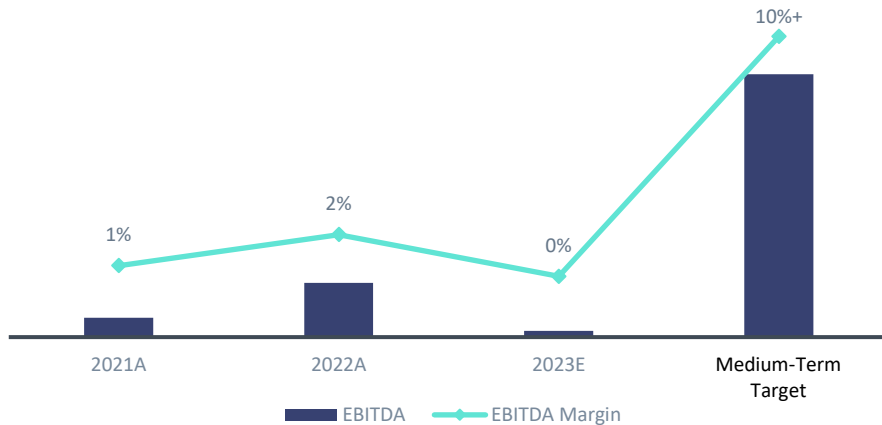
(US\$ millions)



Gross Margin



EBITDA Margin



Commentary

- Revenue down in 2023 due to lower CES and Ivory Coast contribution
- 2023 revenue growth in SPS, Wastewater-to-Energy, and Recurring Revenue segments
- Gross margin forecast to rise to 29% in H2 2023
- New order bookings and robust sales pipeline bodes well for revenue growth in 2024 and beyond
- Substantial operating leverage – higher revenues leading to stronger EBITDA margins



Pro Forma Summary Balance Sheet*

Pro Forma net cash of \$9.8m at July 2024

(USD M\$)

Summary Balance Sheet	Balance Sheet	PF 6/30/23:		PF 6/30/23:	
	as at 6/30/23	PF Adj: Closing	Cap Raise Closing	PF Adj: Upwell Maturity ⁽²⁾	Upwell Maturity
Cash	\$18.1	\$8.6	\$26.8	(\$12.2)	\$14.6
Other Current Assets	\$52.1	-	\$52.1	-	\$52.1
Fixed & Other Non-Current Assets	\$21.7	-	\$21.7	-	\$21.7
Total Assets	\$91.9	\$8.6	\$100.5	(\$12.2)	\$88.3
Non-Debt Current Liabilities	\$63.3	-	\$63.3	-	\$63.3
Non-Current Liabilities (excl. Debt)	\$3.6	-	\$3.6	-	\$3.6
Total Liabilities	\$66.9	-\$	\$66.9	-\$	\$66.9
Shareholders' Equity	\$25.0	\$8.6	\$33.6	(\$12.2)	\$21.4
Total Debt	\$31.2	(\$15.0)	\$16.2	(\$11.4)	\$4.8
<i>Net Debt</i>	<i>\$13.1</i>	<i>(\$23.6)</i>	<i>(\$10.6)</i>	<i>\$0.8</i>	<i>(\$9.8)</i>
Total Liabilities	\$98.1	(\$15.0)	\$83.1	(\$11.4)	\$71.7
Shareholders' Equity	(\$6.2)	\$23.6	\$17.4	(\$0.8)	\$16.6

(1) PF for Bimini Expansion.

(2) Does not include the impact of operating or investing cash flows.



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