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Q4 2020 Update

Fluence Corporation (ASX: FLC)
January 2021

Q4 2020 Highlights

All numbers are subject to audit finalization



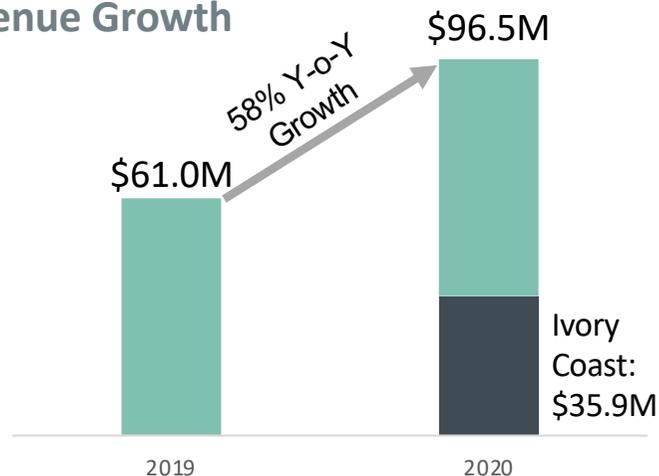
- ✓ Q4 2020 revenues of \$23.5M, up 51% from Q3 & flat to Q4 2019
- ✓ Q4 2020 operating expenses \$8.4M, down 34% from Q4 2019
- ✓ Positive Q4 operating cash flow of \$33.4M
- ✓ Ivory Coast payments of approx. \$60M received on schedule
- ✓ Cash balance \$31.0M at 31 December 2020 up from \$21.9M at prior year end

Achieved 2020 Guidance With First Underlying EBITDA Positive Year

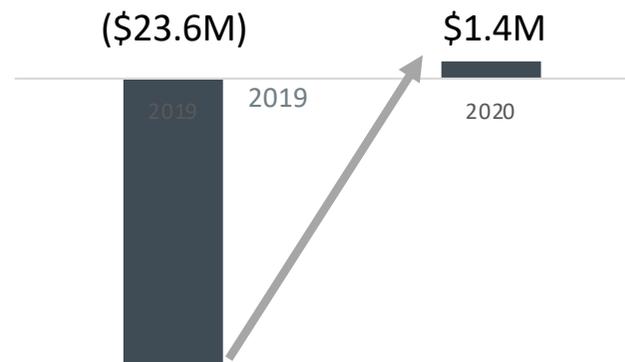


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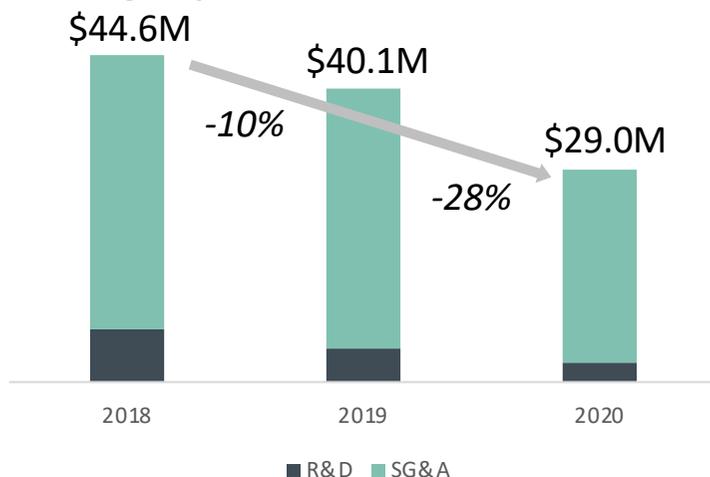
Revenue Growth



Underlying EBITDA** Improvement



Operating Expenses Reduction*



- ✓ Achieved guidance with first underlying EBITDA positive year
- ✓ Continued growth despite strong COVID-19 headwinds – SPS achieved guidance
- ✓ Continued improvement in operating efficiency
- ✓ Dec 31 2020 backlog: \$226M (Ivory Coast \$158M) + significant existing partner pipeline

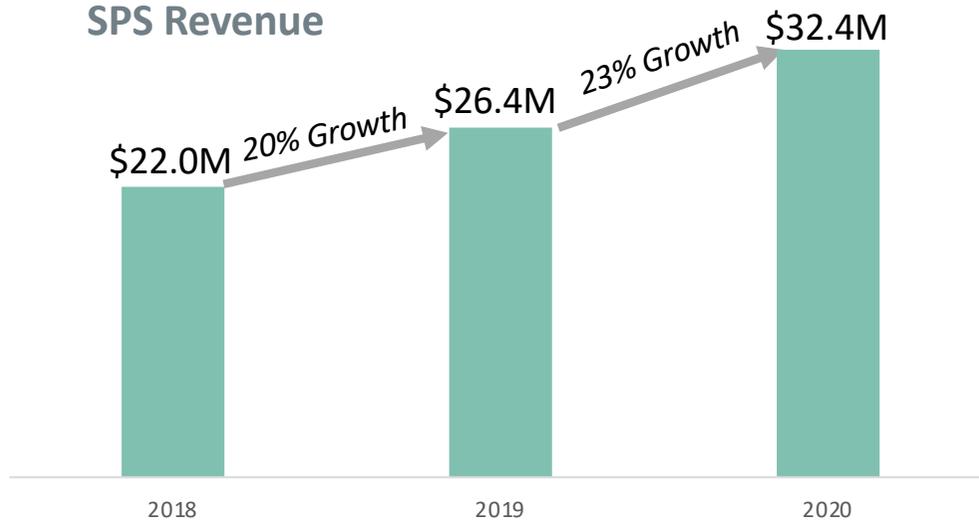
* - Operating expenses including depreciation and amortization
 ** - Underlying EBITDA = Statutory EBITDA excluding one-off items
 All numbers in presentation are USD unless otherwise stated.

Achieved Further SPS Growth

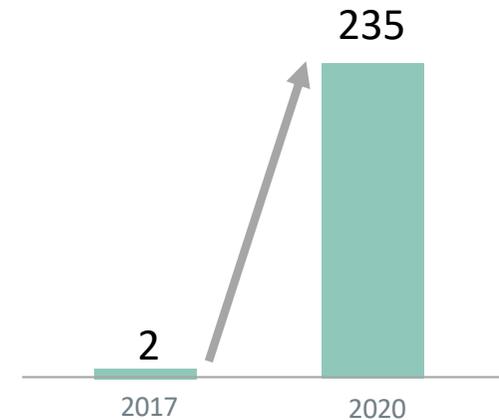
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SPS Revenue



MABR Plants Sold



China Growth



- ✓ 206 plants sold in 14 provinces –38% revenue growth
- ✓ All are monitored: data allows new services revenue
- ✓ Substantial growth opportunities via 3 existing volume partners, based on signed MOU's
- ✓ Major new volume partners in discussion

Middle East and SE Asia

- ✓ Strategic MABR wins in Cambodia and Philippines
- ✓ Nirobox wins in Arabian Gulf, Vietnam, Philippines
- ✓ Key partnership discussions continue

* = All numbers in presentation are USD unless otherwise stated.

Strong Cash Position Supports Growth

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Item	Amount (\$M)
Net cash from operating activities Q4 2020	33.4
Cash and cash equivalents Dec 31 2020	31.0
Short and long term deposits	32.9
of which restricted cash to be released over next 18 mos	27.0

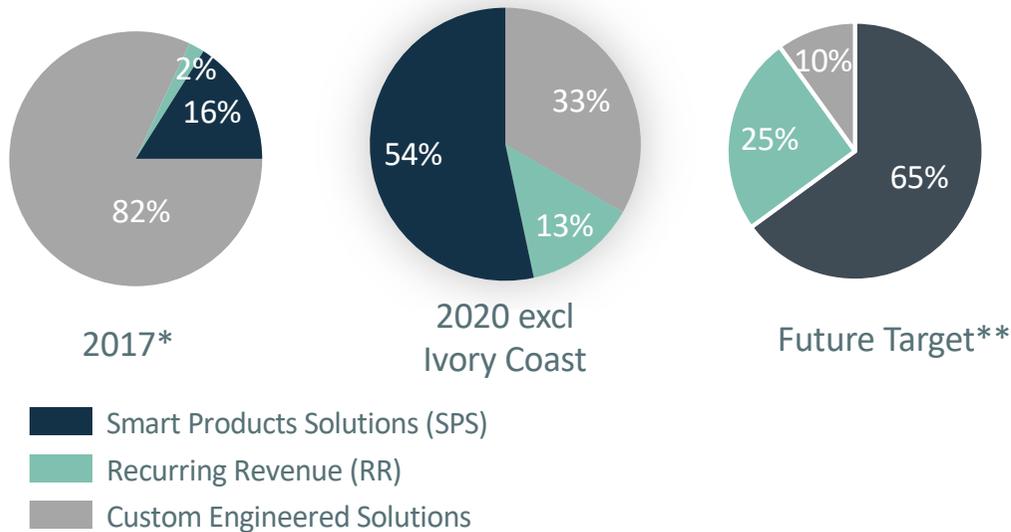
2021 Guidance For Continued Positive Underlying EBITDA

- 2021 SPS Revenues: \$35 – 50M
- Further improvements in operating efficiency

Fluence: Fast To Deploy, Profitable Water Solutions



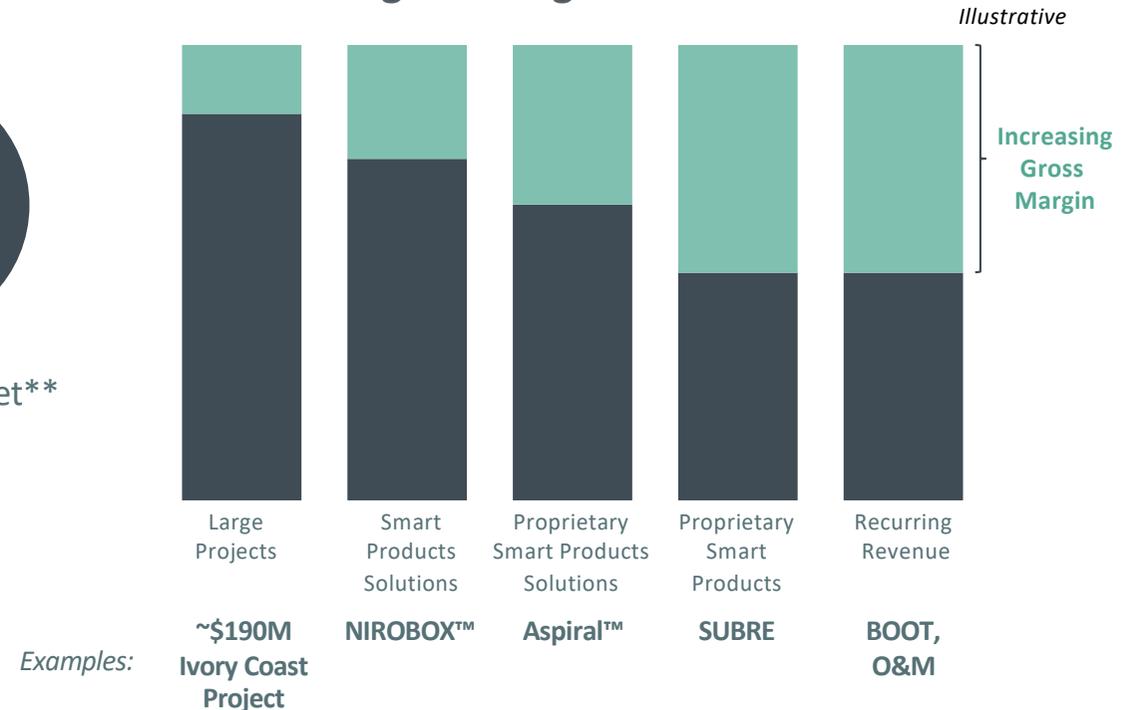
Revenue Mix



Strategic Focus

- Sell MABR in China and SE Asia
- Sell Nirobox in Middle East and SE Asia
- Timely execute Ivory Coast project
- Seek more recurring revenue
- Improve operating efficiencies

Transition To Higher Margin Revenue



- ✓ 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

Summary Financials



Segment revenue (US\$m)	2019 ⁽¹⁾	2020 ⁽²⁾	2021 guidance	Comments
CES	\$27.3	\$56.0		---> Backlog of \$207m over 2 years, underpinned by Ivory Coast
SPS	26.5	32.4	\$35 - 50	---> Conservative guidance largely underpinned by existing agreements
- China SPS	13	18		---> <i>Underpinned by existing and potential bulk partnerships in China</i>
Service/Recurring	7.1	8.1		---> Expected to grow in line with redefined strategy for BOOT projects & O&M contracts
Total revenue	60.9	96.5		---> \$226m from backlog as of 01/01/2021 (incl. \$158m for Ivory Coast)
SPS growth y/y	21%	22%		
China SPS growth y/y	364%	38%		---> Strong pipeline of additional China distribution partners
Recurring growth y/y	11%	14%		
Profit & Loss (US\$m)	2019 ⁽¹⁾	2020 ⁽²⁾	2021 guidance	Comments
Revenue	60.9	96.5		---> Strong growth in FY20 underpinned by Ivory Coast and growth in SPS sales
SG&A	-35.5	-26.4		---> Significant efficiency gains achieved with further cost out in FY20
R&D	-4.6	-2.6		---> All R&D fully expensed through the P&L
Total fixed costs	-40.1	-29.0		---> Fixed Cost reduced by 28%
Underlying EBITDA	-23.6	1.4	Positive	---> Positive in 2020, and expected to be positive in 2021 on annual basis
Normalisations	3.7	11.8		---> Reversal of prior years accruals, restructuring costs, and SQ assets write-off
Statutory EBITDA	-27.3	-10.4		--->
Fixed cost as % of Revenue	66%	30%		Target continued improvement in operating efficiencies

(1) Audited Financials

(2) Preliminary Financials based on 4C (unaudited)

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