



30 October 2025

Fluence Corporation Quarterly Activities Report

Fluence Corporation Limited (ASX:FLC; “Fluence” or the “Company”) presents its Quarterly Activities Report and accompanying ASX Appendix 4C (the “Quarterly Cashflow Report”) for the quarter ended 30 September 2025 (“Q3 2025”). All financial numbers contained herein are in US dollars and are unaudited.

Q3 2025 Highlights

- **Total YTD Q3 2025 Revenue of \$52.4M**, representing 72.9% growth over YTD Q3 2024
 - Ivory Coast Addendum revenue of \$19.5M was \$18.5M higher than YTD Q3 2024
 - SPS revenue growth was also strong at 26.6% compared to YTD Q3 2024
- **Q3 and YTD Q3 2025 EBITDA¹ of \$1.2M**
 - Exceeded Q3 and YTD Q3 2024 by \$2.6M and \$6.2M, respectively
 - All business units other than IWR showed an increase in YTD Q3 2025 EBITDA¹
 - Ivory Coast Addendum contributed \$2.6M compared to a loss of \$0.4M in YTD Q3 2024
- **Gross margins of 28.8%** in YTD Q3 2025, a reduction of 3.0% compared to YTD Q3 2024 primarily due to the increased contribution of the Ivory Coast Addendum
 - MWW, IWR and IWB all increased gross margins in YTD Q3 2025 compared to PYTD
- **SG&A and R&D savings of \$0.8M (-5.1%)** in YTD Q3 2025 as compared to YTD Q3 2024
- **Q3 and YTD 2025 new orders of \$17.2M and \$39.7M**, respectively
 - New orders booked in Q3 2025 of \$17.2M, which was 9.6% higher than Q3 2024
 - Q4 2025 new orders also forecasted to be strong and exceed Q3 2025, which was the highest order quarter of the year thus far
 - MWW North America, IWR, IWB and SEA & China saw a combined increase in orders of \$13.4M (47.9%) YTD Q3 2025 as compared to YTD Q3 2024
- **Backlog as of Q3 2025 sits at \$75.7M**
 - MWW North America, IWB and SEA & China saw backlog growth of \$11.5M (+70.2%) compared to Q3 2024
 - More than \$50M of backlog forecasted to be recognized in FY2026 and beyond
- **Cash balance of \$14.1M** plus \$4.1M in security deposits as at 30 September 2025
 - Q3 and YTD Q3 2025 operating cash flow was \$2.2M and \$7.1M, respectively
 - Received €4.2M as part of milestone 5 from the IVC Addendum in late September 2025, with a number of payables that are to be settled in Q4 2025
 - As a result of the timing of the latest IVC Addendum milestone, but not settling vendor payments, Q4 2025 operating cash flow is expected to be negative, however, FY2025 operating cash flow is forecasted to remain positive
 - Repaid \$2.0M of debt YTD Q3 2025

¹ EBITDA excludes the impact of Other Gains and Losses, which include FX gains and losses, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.

Financial and Operating Update

During Q3 2025, Fluence continued to execute its renewed strategy of growing our high-margin Smart Product Solutions (“SPS”) and Recurring Revenue (“RR”) products and services through our realigned and market-focused business units. YTD Q3 2025 revenue was \$52.4M, which was \$22.1M or 72.9% higher than YTD Q3 2024. SPS plus RR continued to show healthy growth of 13.2% compared to YTD Q3 2024. Contributions from the Ivory Coast Addendum was the largest reason for the increase as revenue in the Ivory Coast was \$18.5M higher than YTD Q3 2024. Q4 2025 is expected to be the strongest quarter of the year in terms of revenue contribution due to a number of backlog projects accelerating, combined with continued progress on the Ivory Coast Addendum. As a result, we are forecasting strong EBITDA¹ in Q4 and FY2025 overall.

As a result of the revenue growth in the quarter, EBITDA¹ was \$1.2M in Q3 and YTD 2025, an increase of \$2.6M and \$6.2M, respectively, compared to prior year. In addition to the revenue growth the Company experienced in YTD Q3 2025, the \$0.8M reduction of SG&A and R&D also contributed to the EBITDA¹ growth in YTD Q3 2025. Gross margins were 28.8% in YTD Q3 2025, a reduction of 3.0% compared to prior year, which can be attributed to the lower gross margins of the Ivory Coast Addendum project. However, MWW, IWR and IWB all increased gross margins in YTD Q3 2025 compared to the same period in 2024, illustrating the margin strength of our high-margin SPS and RR revenue segments. Each of these business units have benefited from positive project margin variances as well as several accrual reversals.

New orders were down 1.9% in YTD Q3 2025, however, MWW North America, IWR, IWB and SEA & China saw a combined increase in orders of \$13.4M (47.9%). Q4 2025 is forecasted to be the strongest quarter of the year and exceed Q3 2025.

The Company is maintaining its FY2025 guidance of \$80-95M of revenue and \$3-5M of EBITDA¹, however, we are expecting to finish the year closer to the low end of the range.

Update on Potential Impact of US Tariffs

Q3 2025 has seen the market stabilize somewhat as it relates to the global trade policy environment. As a reminder, on 2 April 2025, the US Administration provided incremental details on its proposed tariff strategy. The resulting ‘Liberation Day tariffs’ were higher than many expected with an aggregate implied rate of 26% on total US imports, equivalent to a ~24% increase across the board compared to December 2024. This included a 10% universal tariff on all imports starting on 5 April 2025. However, since then there have been several bi-lateral trade deals negotiated between the US and trading partners like the European Union.

Overall, we continue to expect the impact of the fluctuating US tariff policy on Fluence to be minor and predominantly limited to MWW US revenue where the manufacturing origin is outside of the US. To date, due to actions taken by management, the potential negative impact on FY2025 MWW gross margins has been largely mitigated. The Company evaluated alternative manufacturing strategies to minimize the impact on project margins, which we expect to be successful. However, the trade policy framework of the US Administration remains unpredictable and management will continue to monitor the situation, particularly as it relates to several existing projects that present some timing risk as a result of the Company’s alternative manufacturing strategies.

¹ EBITDA excludes the impact of Other Gains and Losses, which include FX gains and losses, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.

Segmented Financial Results

The Company is organized around product lines with the following principal areas of focus:

- Municipal Water and Wastewater (“MWW”) treatment includes MABR (Aspiral, SUBRE and Nitro) and Nirobox products;
- Industrial Wastewater & Biogas (“IWB”), provides solutions that support the shift to global decarbonization, taking advantage of government incentives and green energy programs in North America and Europe as well as the new nitrogen removal laws in Mexico;
- Industrial Water & Reuse (“IWR”) solutions, focusing on water reuse applications and high-growth markets such as lithium mining that supports the trend toward electrification as well as high-tech industries such as semiconductor and AI data centers;
- Southeast Asia and China (“SEA & China”), with a particular focus on efforts in countries such as Taiwan, Vietnam, Cambodia, the Philippines and South Korea to strengthen and diversify its sales pipeline;
- Recurring Revenue, including Build-Own-Operate (“BOO”) projects, Operations & Maintenance (“O&M”) contracts for equipment sales, rentals, spare parts and consumables sales; and
- The Ivory Coast Main Works and Ivory Coast Addendum projects.

Table 1: Segmented Financial Results

(US\$ millions)	YTD Q3 2024		YTD Q3 2025		YTD Variance	
	Revenue	EBITDA ⁽¹⁾	Revenue	EBITDA ⁽¹⁾	Revenue	EBITDA ⁽¹⁾
Municipal Water & Wastewater	\$6.6	(\$0.0)	\$7.9	\$1.1	\$1.3	\$1.1
Industrial Wastewater & Biogas	\$5.5	\$0.1	\$8.5	\$0.9	\$3.0	\$0.8
Industrial Water & Reuse	\$12.3	\$2.1	\$11.9	\$2.0	(\$0.4)	(\$0.1)
SEA & China	\$2.9	(\$0.9)	\$4.1	(\$0.4)	\$1.2	\$0.5
BOO	\$2.2	\$0.3	\$2.0	\$0.5	(\$0.2)	\$0.2
IVC	\$1.0	(\$0.4)	\$19.5	\$2.6	\$18.5	\$3.0
Corporate	(\$0.2)	(\$6.1)	(\$1.5)	(\$5.4)	(\$1.3)	\$0.8
Total	\$30.3	(\$5.0)	\$52.4	\$1.2	\$22.1	\$6.2

Note: Corporate revenue includes intercompany eliminations.

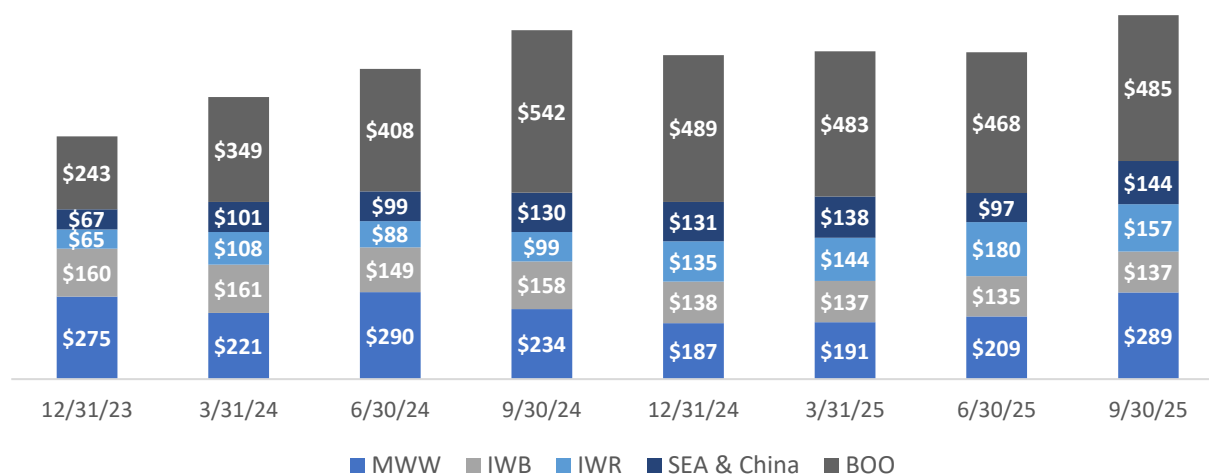
YTD Q3 2025 revenue and EBITDA¹ increased across all business units other than IWR. Specifically:

- The Ivory Coast Addendum contributed \$2.6M of EBITDA¹ compared to a loss of \$0.4M in YTD Q3 2024 due to revenue growth of \$18.5M;
- IWB saw an EBITDA¹ increase of \$0.8M in YTD Q3 2025 on strong revenue growth of \$3.0M;
- MWW saw revenue and EBITDA¹ growth of \$1.3M and \$1.1M YTD Q3 2025, respectively, in part due to the reversal of certain accruals;
- SEA & China is ahead of YTD Q3 2024 revenue and EBITDA and is expected to reduce its EBITDA loss in FY2025 as compared to FY2024;
- While IWR EBITDA¹ is behind through YTD Q3 2025 primarily due to lower spare parts revenue in H1 2025, the business is forecasting to finish FY2025 in-line with FY2024 and maintain the highest EBITDA margins of any business unit in the Company; and
- Corporate cost savings of \$0.8M also contributed positively to EBITDA¹ in YTD Q3 2025.

The outlook for the remainder of FY2025 remains strong for the business and is expected to meet its published guidance for the year, albeit at the lower end of the range.

¹ EBITDA excludes the impact of Other Gains and Losses, which include FX gains and losses, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.

Chart 1: Fluence Sales Pipeline²



(2) Excludes Ivory Coast O&M.

Our overall sales pipeline remains strong as of 30 September 2025 and has increased by \$49M (+4.2%) since Q3 2024 and \$132M (+12.3%) since Q4 2024.

Fluence booked \$17.2M and \$39.7M (-1.9% compared to YTD Q3 2024) in new orders in Q3 and YTD 2025, respectively (+9.6% and -1.9% compared to Q3 and YTD 2025, respectively). MWW North America, IWR, IWB and SEA & China saw a combined increase in orders of \$13.4M (+47.9%) YTD Q3 2025. Q4 2025 is forecasted to be the strongest quarter of the year in orders and exceed Q3 2025.

Backlog as of 30 September 2025 was \$75.7M, down \$12.3M as compared to 31 December 2024 primarily due to progress on the Ivory Coast Addendum, offset by backlog growth in other BU's. MWW North America, IWB and SEA & China saw backlog growth of \$11.5M (+70.2%) compared to 30 September 2024. YTD Q3 2025 revenue plus backlog forecasted to be recognized in FY2025 is now equal to \$76.5M. Including expected RR in Q4 2025, that total grows to \$79.9M.

Key Recent Wins

The Company secured several notable new orders in Q3 and October 2025, including:

- Qurayyah Power Plant (Saudi Arabia): >\$12M Nirobox ultra-pure WTP with pretreatment and demineralization;
- Meat Processing Company (Argentina): \$2.9M Aerobic WWTP;
- Aluar (Argentina): \$2.6M Desalination Plant;
- Spring Rock (Idaho): \$2.5M Aspiral WWTP;
- Meat Processing Company (Brazil): \$2.2M Aerobic WWTP;
- Levinsud (Italy): \$1.0M Aerobic WWTP;
- Egg Processing Company (Italy): \$0.5M Aerobic WWTP;
- Grove Farm (Hawaii): \$0.4M Aspiral WWTP;
- Poultry Farm (Italy): \$0.2M Aerobic WWTP;
- Mamee River (Jamaica): \$0.1M SUBRE WWTP; and
- iTest orders (China): \$1.9M; Multiple Aspiral MABR WWTPs.

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Q3 2025 Cash Flows

The Appendix 4C quarterly cash flow report for Q3 2025 is attached.

As at 30 September 2025, Cash and Cash Equivalents were \$14.1M. In addition, the Company held \$4.1M in short and long-term deposits, of which \$3.8M are held as collateral for bank guarantees for the Ivory Coast Main Works. Operating cash flow generated in Q3 and YTD 2025 was \$2.2M and \$7.1M, respectively. This was primarily due to collecting €4.2M related to milestone 5 of the IVC Addendum in late September 2025. A number of payables are forecasted to be settled in Q4 2025 as a result of milestone 5 but had not been paid by 30 September 2025. As a result of the timing of receiving the latest Ivory Coast Addendum milestone, but not settling vendor payments, Q4 2025 operating cash flow is expected to be negative, however, FY2025 operating cash flow is forecasted to remain positive.

Fluence invested \$758k in various capital projects in YTD Q3 2025.

The Company has repaid \$2.0M of its revolving credit facility through YTD Q3 2025.

Ivory Coast Progress

In Q3 2025, Fluence continued commissioning the Main Works, which is now largely complete. The most significant outstanding work is the stabilization of an embankment for a pipe crossing of the swamp. This will largely be completed in parallel with the Addendum works. The Addendum works are currently progressing on budget and largely on schedule, however, the embankment stabilization and pipe crossing of the swamp has experienced some delays in recent months. This work is expected to start in Q4 2025, at which point the project will be try to make up some of the delays as it progresses toward completion. Financially, the Addendum project is progressing well through Q3 2025, and revenue is in-line with forecast.

As noted in prior updates, these Addendum works are a critical step in connecting the Main Works water treatment plant to the distribution system, allowing the water produced by the plant to be delivered to the people of Abidjan. The Addendum works were originally expected to take approximately 18 months to complete.

As of 30 September 2025, the Company had collected five (5) milestone payments under the Addendum, totaling €30.3M, representing approximately 63% of the total payments. Milestone payment 5 (a total of €8.0M) was collected in two installments in August and just prior to 30 September. Milestone payment 6 (€6.0M total) was recently approved and is expected to be paid in the coming weeks.

Fluence is also continuing its efforts to secure a long-term O&M contract for the plant. Negotiations will commence in the coming weeks after the technical proposal and business plan is submitted and reviewed. The start of the long-term O&M contract requires the works undertaken pursuant to the Addendum project to be completed. Fluence is currently maintaining the plant on an interim basis, which positions the Company well to be awarded the long-term O&M contract currently being negotiated.

This announcement is authorised for lodgement on the ASX by Thomas Pokorsky, CEO and Managing Director, Fluence Corporation Limited.

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About Fluence Corporation Limited (ASX: FLC)

Fluence is a leader in Wastewater Treatment and Reuse, High-Strength Wastewater Treatment, Wastewater-to-Energy, Industrial and Drinking Water markets, with its pre-engineered, standardized Smart Products Solutions (SPS), including Aspiral™, NIROBOX™, SUBRE and Nitro. In addition to rapid delivery and commissioning of solutions to meet a broad range of needs from smaller communities to city-scale systems, Fluence offers ongoing operation and maintenance support, Build Own Operate (BOO) and other recurring revenue solutions. Fluence has a broad international footprint and focuses on high growth markets including North America and Southeast Asia.

Further information can be found at <https://www.fluencecorp.com/>

Forward looking statements

"This quarterly business update contains "forward-looking" statements. Forward looking words, such as "expect", "anticipate", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this update are based on estimates and assumptions related to future business, contractual, economic, market, political and other conditions that, while Fluence considers them to be reasonable, are inherently subject to significant uncertainties, contingencies and delays.

Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to operating, competition and development risks, economic and political risks, and a number of other risks and also include unanticipated and unusual events, many of which are beyond Fluence's ability to control or predict.

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