29 October 2026

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 2026 ("Q3 2026"). All financial numbers contained herein are in US dollars and are unaudited.

Q3 2026 Highlights

- **Delivered YTD Q3 2026 revenue of $58.0M, an increase of 11.3% over YTD Q3 2025**.
  - SPS plus RR increased 38.5% year over year, an increase of $12.5M.
  - The core business units combined to increase revenue by 23.0% YTD 2026 compared to the PYTD period and by 35.0% in Q3 2026 compared to Q3 2025.
  - Q3 2026 revenue of $20.4M, an increase of 5.8% over Q3 2025, with SPS plus RR increasing 44.6%.
- **YTD Q3 2026 EBITDA[1] of $4.7M, more than three times the $1.4M delivered in the prior YTD period.**
  - Already exceeds the $4.1M of EBITDA[1] delivered in FY2025.
  - Forecasting positive EBITDA[1] in Q4 2026, leading to significant growth in FY2026 EBITDA[1].
  - Q3 2026 EBITDA[1] of $1.3M represents an increase of 14.5% compared to Q3 2025 and represents 8 straight quarters of positive EBITDA[1] dating back to Q4 2024.
- **Gross margins of 35.2% YTD Q3 2026, an increase of 6.2 percentage points** compared to YTD Q3 2025.
- **Q3 2026 and YTD Q3 2026 new orders of $8.0M and $31.6M, respectively.**
  - Q3 2026 order intake was primarily impacted by the timing of customer investment decisions and delays in the award of several larger projects, most of which have been delayed but not lost.
  - Forecasting the strongest order bookings of the year in Q4 2026.
- **Backlog of $47.1M as at 30 September 2026,** with sufficient work to achieve strong growth in FY2026.
- **Cash balance of $6.7M, plus $4.0M in security deposits, at 30 September 2026.**
  - Q3 2026 operating cash outflow of $4.3M, primarily driven by delays in 2 large payments totaling more than $5.5M related to the Ivory Coast 2025 maintenance fees and the Qurayyah WTP project, both of which are expected to be received imminently.
  - Operating cash flow is expected to be positive in Q4 2026, supported by the expected receipt of IVC Addendum milestone 8 and the collection of several other large customer receipts.

[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

Fluence continued to execute its strategy of expanding higher-margin Smart Product Solutions ("SPS") and Recurring Revenue ("RR") products and services across its market-focused business units. During the first nine months of 2026 ("YTD Q3 2026"), the Company delivered double-digit revenue growth, significant gross margin expansion and more than tripled EBITDA[1] compared to the same period in 2025 ("YTD Q3 2025"). Through the first nine months of the year, EBITDA[1] has already exceeded the $4.1M delivered in the full year FY2025 and is forecasted to be positive in Q4 2026, leading to significant growth compared to FY2025.

Revenue for YTD Q3 2026 was $58.0M, an increase of $5.9M (11.3%) compared to YTD Q3 2025. This included growth in SPS and RR of $12.5M (38.5%). Revenue growth was primarily led by IWB, SEA & China and MWW, which collectively increased revenue by $7.2M (35.8%), partly offset by a $1.8M decrease in IVC revenue reflecting the wind-down of the IVC Addendum project.

The continued focus on SPS and RR is resulting in gross margin of 35.2% for YTD Q3 2026, an expansion of 6.2 percentage points compared to YTD Q3 2025. Margin expansion was driven by improved revenue mix and strong project execution. Q3 2026 gross margin was 34.7%, an increase of 2.0 percentage points compared to Q3 2025.

The combination of higher revenue and expanded gross margins resulted in YTD Q3 2026 EBITDA[1] of $4.7M, an increase of $3.3M compared to YTD Q3 2025. Q3 2026 EBITDA[1] was $1.3M, an increase of $0.2M compared to Q3 2025. The Company is also forecasting positive EBITDA[1] in Q4 2026, which is expected to lead to significant growth in FY2026 compared to FY2025. This strong performance positions the Company well to achieve its FY2026 EBITDA[1] growth objectives and would also represent 9 straight quarters of positive EBITDA for Fluence.

CEO and Managing Director Ben Fash commented "Fluence delivered another quarter of solid financial performance, with YTD revenue growth across our core business units of 23.0% and recurring revenue showing exceptional growth of more than 50%. Gross margins are now above 35% and EBITDA[1] is more than three times the same period last year, already exceeding FY2025 EBITDA[1] with another positive quarter expected in Q4. Management continues to expect strong double-digit revenue growth across its core business units in FY2026 and, given the Company has already exceeded FY2025 EBITDA[1], another year of significant profitable growth is expected in FY2026."

Update on the Impact of Middle East Conflict and the Global Economic Conditions

The continued conflict in the Middle East has dramatically increased volatility in global energy markets and supply chains, particularly in the key shipping route through the Strait of Hormuz through which approximately 20% of global oil supply typically ships. These disruptions have significantly increased energy and transportation costs as well as increasing lead times. While some believed that the conflict and the associated disruption would be relatively short-lived, the conflict has continued and, in fact, intensified in recent weeks. The downstream effects of higher energy prices that are starting to take shape include increases in inflation and input costs, which is in turn leading to higher interest rates as central banks attempt to tame inflation, which puts further pressure on government budgets due to deficit spending and higher interest costs on their borrowing. The increase in the cost of living is also leading to political and social unrest as seen in the riots in France in recent weeks.

Operationally, Fluence continues to closely monitor developments globally but remains focused on maintaining flexibility. The Company has not experienced any significant negative impact on its supply chain but continues to assess developments and will adjust its execution strategies where appropriate.

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The uncertainty and downside risks has created a more uncertain demand environment. Fluence continues to actively engage with its customers and provide them with solutions that create long-term value for them, their business and their stakeholders. Management believes the long-term fundamentals supporting demand for water and wastewater infrastructure remain strong and the current disruptions are sowing the seeds of future demand, including requiring energy-efficient treatment solutions as well as the critical need to secure water resources to ensure the resilience of their business. The Company has not experienced any direct project or order cancellations. We have, however, experienced some delays in order timelines as a result of delayed investment decisions with some customers. Looking forward, some of the downside risks that Fluence is beginning to see in the market that may start to impact demand include, but are not limited to:

- Delayed customer capital investments;
- Higher costs of borrowing, particularly for project and working capital financing;
- Greater returns required on capital projects to address increased market risks;
- Weaker sentiment and planned capital spending by customers exposed to energy, freight and demand pressures.

The longer the conflict in the Middle East persists, the higher the risk of a global slowdown. Further, these risks could lead to disruption to project execution, critical supply chains and/or customer demand. Management will continue to closely monitor developments and reassess sourcing, pricing and execution strategies as necessary. At this time, the Company is not projecting a material financial impact from the conflict in FY2026, although the geopolitical environment remains volatile and subject to change.

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™ and Niroflex™ product lines;
- 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 the new nitrogen removal laws in Mexico, among others;
- Industrial Water & Reuse ("IWR") solutions, focusing on water reuse applications and high-growth markets such as power generation, 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;
- Global Water Services ("GWS", formerly BOO) which encompasses the Company's recurring revenue businesses, including Operations & Maintenance ("O&M"), Build-Own-Operate ("BOO") projects, equipment rentals, and equipment, spare parts and consumables sales; and
- The Ivory Coast Main Works and Ivory Coast Addendum projects ("IVC").

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Table 1: Segmented Financial Results

(US$ millions)	YTD Q3 2025		YTD Q3 2026		*YTD Variance*	
	Revenue	EBITDA [1]	Revenue	EBITDA [1]	*Revenue*	*EBITDA [1]*
Municipal Water & Wastewater	$7.6	$1.2	$9.4	$0.5	*$1.8*	*($0.7)*
Industrial Wastewater & Biogas	$8.5	$0.8	$12.1	$1.6	*$3.6*	*$0.8*
Industrial Water & Reuse	$11.9	$2.2	$12.0	$1.2	*$0.1*	*($1.0)*
SEA & China	$4.1	($0.4)	$5.9	$0.3	*$1.8*	*$0.7*
BOO	$2.0	$0.4	$1.9	$0.5	*($0.1)*	*$0.1*
IVC	$19.5	$2.6	$17.8	$6.5	*($1.7)*	*$3.9*
Corporate	($1.5)	($5.4)	($1.1)	($5.9)	*$0.4*	*($0.5)*
Total	**$52.1**	**$1.4**	**$58.0**	**$4.7**	***$5.9***	***$3.3***

Note: Corporate revenue includes intercompany eliminations. YTD Q3 2025 figures have been restated to exclude IWS (Egypt), which is reported as a discontinued operation.

YTD Q3 2026 revenue increased across all 4 core business units, while EBITDA[1] improved across IWB, SEA & China, IVC and GWS. Specifically:

- IWB increased revenue by $3.6M (42.3%) and doubled EBITDA[1] to $1.6M, an increase of $0.8M, reflecting higher project volumes and continued growth in higher-margin SPS solutions.
- SEA & China increased revenue by $1.8M (45.9%) and EBITDA[1] by $0.7M, returning the business to positive EBITDA[1] of $0.3M, as a result of higher revenue and expanding gross margins (30.7% compared to 22.5% in YTD Q3 2025).
- MWW increased revenue by $1.8M (23.1%), however EBITDA decreased by $0.7M as a result of a number of one-time benefits in YTD Q3 2025.
- IWR increased revenue modestly YTD Q3 2026 primarily due to order delays. However, Q3 2026 revenue increased by 27.0% compared to Q3 2025. EBITDA decreased by $1.0M as a result of lower gross margins and investments in SG&A. IWR had a number of projects that performed exceptionally well in FY2025 which drove gross margins to 37.9%; Q3 YTD 2026 gross margins of 31.8% are still strong and within management's expectations.
- IVC contributed $6.5M of EBITDA[1], an increase of $3.9M compared to YTD Q3 2025, reflecting strong project margins (gross margin of 40.0% compared to 14.9% in YTD Q3 2025), including contract price escalation adjustments and the recognition of RR maintenance fees.

The strong revenue momentum and EBITDA[1] growth across the Company's core business units is consistent with management's expectations and positions Fluence to finish the year strong with a solid Q4 2026.

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Key Recent Wins

The Company secured several notable new orders in Q3 2026 and October 2026, including:

- Qurayyah ETP (Saudi Arabia): $2.3M NIROBOX™ effluent treatment plant (repeat customer);
- IVC O&M maintenance services: $1.3M for maintenance services provided at the Ivory Coast water treatment plant;
- iTest (SEA & China): $2.0M Aspiral MABR WWTPs (repeat customer);
- Red Bluffs (IWR USA): $0.6M BWRO (2nd order in USA in successive quarters);
- Climax Molybdenum (IWB USA): $0.2M WWTP; and
- South Platte (MWW USA): Aspiral MABR pilot (key strategic win in Colorado).

Q3 2026 new orders were $8.0M, bringing YTD Q3 2026 new orders to $31.6M, a decrease of $8.0M (20.3%) compared to YTD Q3 2025. Order intake in Q3 2026 was below management's expectations, primarily reflecting the timing of customer investment decisions and delays in the award of several larger projects. As noted previously, the uncertain geopolitical environment has led a number of customers to defer or extend investment decision timelines, however, the majority of the projects the Company expected to book in Q3 2026 have been delayed rather than lost. Q4 2026 is expected to be a strong quarter in new order bookings and the strongest quarter in FY2026. However, due to the order delays, the Company no longer expects FY2026 new orders to exceed FY2025.

RR new orders remained a highlight, increasing 93.5% to $3.3M in Q3 2026 compared to Q3 2025 and 68.4% to $10.3M YTD Q3 2026, reflecting growth in aftermarket parts and services and IVC RR maintenance services. MWW also secured $4.0M of new orders in the Middle East during YTD Q3 2026, compared to $0.1M in the prior year, including the $2.3M Qurayyah ETP order in September, building on the $12M+ Qurayyah Power Plant order secured in Q4 2025. These results reflect continued progress in expanding the Company's RR activities driven by our GWS group.

Backlog was $47.1M as at 30 September 2026, compared to $59.8M as at 30 June 2026, reflecting revenue recognized during the quarter, including continued execution of the IVC Addendum project. SPS and RR represented 98.2% of backlog as at 30 September 2026, compared to 72.8% as at 30 September 2025, reflecting the Company's continued transition towards higher-margin SPS solutions and recurring revenue services. Backlog continues to support revenue visibility for the remainder of FY2026 and into early FY2027.

Q3 2026 Cash Flows

As at 30 September 2026, the Company held cash and cash equivalents of $6.7M, compared to $10.9M at 30 June 2026. In addition, the Company held $4.0M in short and long-term deposits, of which approximately $3.7M are held as collateral supporting bank guarantees for the Ivory Coast Main Works project.

Net cash used in operating activities was $4.3M in Q3 2026, primarily reflecting the timing of customer receipts and planned vendor payments during the quarter. The lower receipts were primarily driven by a delay in 2 large payments totaling more than $5.5M related to the Ivory Coast 2025 maintenance fees and the Qurayyah WTP project, both of which are expected to be received imminently. In addition, cash outflows included vendor payments associated with the IVC Addendum project following receipt of milestone 7 in Q2 2026. Receipts from customers totaled $12.6M in Q3 2026 and $44.6M for YTD Q3 2026. As noted in the Company's Q2 2026 Quarterly Activities Report, management expected operating cash flow to be negative in Q3 2026 and continues to expect operating cash flow to be positive in Q4 2026, albeit less positive than

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originally forecasted due to the delays in orders in Q3 2026.

Investing cash outflows for the quarter were $0.5M, primarily relating to capital expenditures. Net financing inflows of $0.7M comprised $0.8M of proceeds from a short-term loan facility in Argentina, used to fund working capital for a major IWR project in the USA, less $0.1M of lease liability repayments.

Ivory Coast Update

During Q3 2026, the Company continued the successful execution of the IVC Addendum Project, which is designed to connect the Water Treatment Plant to the Abidjan water distribution network. Construction activities advanced across all major workstreams, including the distribution pipeline, bridge crossing, access roads, and swamp stabilization works. The project is forecasted to be completed by December 2026. The majority of the pipeline installation and access road works are expected to be completed by the end of October 2026, with the remaining bridge and swamp stabilization works scheduled for completion by year-end.

The Addendum Project continues to generate strong financial results and positive cash flow. To date, the Company has collected seven milestone payments totaling €42.4 million, representing approximately 87.6% of the total contract value. Milestones 8 and 9, with a combined value of approximately €6.0 million, are expected to be collected during Q4 2026 and Q1 2027.

The Company continues to make significant progress toward negotiating the long-term O&M contract for the plant. In September, a week of in-person negotiation sessions were held in Abidjan, resulting in the resolution of numerous contractual and business plan matters. In parallel, the Company has continued to provide interim maintenance services to ensure the reliable operation of the facility once the long-term O&M agreement is signed and enters into force. 2 invoices have been submitted: (i) approximately $3.5 million for twelve months of maintenance services provided in 2025, which has been processed for payment by the State and is expected to be received imminently, and (ii) approximately $1.3 million for maintenance services provided in the first half of 2026.

Additional Disclosures

During Q3 2026, there were no payments to related parties other than the payment of Directors' fees in the normal course of business. During the quarter, the Company made payments of Directors' fees of approximately US$35,000.

Suspension of Business Activities in Egypt

In the Q2 2026 Quarterly Activities Report, Fluence subsequently announced its intention to Suspend Operations in Egypt (IWS), with the ultimate objective of closing and liquidating the business. On 12 October 2026, the Company took the necessary steps to formally Suspend Operations, representing an important step in implementing Fluence's previously announced decision to exit its Egyptian operations. With this formal approval now in place, management is proceeding with the necessary steps to implement the suspension, address remaining contractual and financial obligations, continue efforts to recover outstanding receivables, and establish the legal and administrative requirements for the eventual liquidation of IWS.

Fluence will continue to report IWS as a discontinued operation in its consolidated financial statements, subject to applicable accounting requirements, as management progresses toward the formal closure and liquidation of the business**.**

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This announcement is authorised for lodgement on the ASX by Ben Fash, 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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