1. Company details

Fluence Corporation Limited
Appendix 4D
Interim Financial Report
Half-year 30 June 2026

Name of entity:	Fluence Corporation Limited
ABN:	52 127 734 196
Reporting period:	For the half-year ended 30 June 2026
Previous period:	For the half-year ended 30 June 2025

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2. Results for announcement to the market

Current reporting period - half-year ended 30 June 2026
Previous - half-year ended 30 June 2025

				USD $'000
Revenues from ordinary activities from continuing operations	up	15%	to	37,632
Loss from ordinary activities after tax attributable to the Owners of Fluence Corporation Limited	down	79%	to	(823)
Loss for the half-year attributable to the Owners of Fluence Corporation Limited	down	79%	to	(823)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

The loss for the Group after providing for income tax and non-controlling interest amounted to $823,000 (30 June 2025: $3,847,000).

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3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security	(0.95)	(1.04)

Explanation of the above information:

Refer to the Directors' Report - Review of operations.

To be read in conjunction with the 31 December 2025 Annual Report

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ABN 52 127 734 196

Fluence Corporation Limited

Interim Financial Report - 30 June 2026

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Directors' Report

The Directors present their report, together with the financial statements for the six months ended 30 June 2026 ("**H1 2026**") of Fluence Corporation Limited ("**Fluence**" or the "**Company**", and together with its subsidiaries, the "**Group**"). Please note that unless otherwise stated, all figures are in US Dollars.

Directors

The following persons held office as Directors of Fluence for the whole of H1 2026 unless otherwise stated:

Mr Douglas Brown, Chairman
Mr Ben Fash, CEO and Managing Director
Mr Paul Donnelly, Lead Independent Director, Non-Executive Director
Mr Mel Ashton, Non-Executive Director
Mr Nikolaus Oldendorff, Non-Executive Director

Financial and Operating Update

During H1 2026, Fluence continued to execute its strategy of growing its high-margin Smart Product Solutions ("**SPS**") and Recurring Revenue ("**RR**") products and services through its market-focused business units. During H1 2026, the Company delivered strong financial and operating performance, with double-digit revenue growth, meaningful underlying gross margin expansion and significantly higher EBITDA[1] in the first half than has been delivered in more than five (5) years.

Revenue in H1 2026 was $37.6 million, which was $4.8 million or 14.6% higher than the six months ended 30 June 2025 ("**H1 2025**"). SPS plus RR grew 34.7% compared to H1 2025, reflecting the continued shift in the Company's revenue mix toward higher-margin products and services. Contributions from IWB, SEA & China and the Ivory Coast were the largest reasons for the increase, partly offset by lower revenue at IWR and MWW as a result of the timing of project execution and customer orders. H2 2026 is expected to show revenue growth as compared to H1 2026 as backlog projects are executed and new orders convert.

As a result of the revenue growth and margin expansion in H1 2026, EBITDA[1] was $3.4 million, an increase of $3.3 million compared to H1 2025. Gross margins[2] were 35.5% in H1 2026 (H1 2025: 26.7%), an increase of 8.7% compared to H1 2025, which is primarily attributable to the recognition of the 2025 Ivory Coast O&M maintenance fees of $3.5 million, together with an increased contribution from SPS and RR, improved project execution and lower project warranty accruals. Gross margins improved at every business unit other than IWR, with IWB, SEA & China, GWS and the Ivory Coast each recording material improvement over H1 2025. SG&A and R&D of $10.2 million was $1.4 million higher than H1 2025[1], reflecting investment in the sales and delivery capability required to support growth.

New orders were $23.6 million in H1 2026, an increase of 5.0% compared to H1 2025. Following a softer first quarter, Q2 2026 new orders of $16.1 million represented growth of 53.9% over Q2 2025 and were highlighted by strategic orders at SEA & China and IWR, together with the 2025 Ivory Coast O&M maintenance fees of $3.5 million. The Company expects H2 2026 new orders to be significantly higher than H1 2026 and to show strong new order growth in FY2026 overall.

Backlog as of 30 June 2026 was $59.8 million. MWW, IWR, IWB and SEA & China collectively increased backlog by $6.8 million (18.4%) compared to 30 June 2025. H1 2026 revenue, backlog forecast to be recognised in H2 2026, recurring revenue and expected H2 2026 orders together support the Company's FY2026 revenue growth objectives.

The Company continues to expect double-digit revenue growth for FY2026 and is increasingly confident in its ability to meet its FY2026 EBITDA[1] growth targets, supported by improving order momentum, backlog conversion and continued margin expansion.

[1] EBITDA as well as SG&A and R&D excludes the impact of Other Gains and Losses, which include FX gains and losses, share-based payments, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.
[2] Gross Profit margin excludes the impact of depreciation and amortisation and, therefore, will not match Note 4.

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Segmented Financial Results

The Company is organised into the following business units:

- 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 decarbonisation, 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 centres;
- 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 significant Operations & Maintenance ("**O&M**"), Build-Own-Operate ("**BOO**") projects; and
- The Ivory Coast Main Works and Ivory Coast Addendum projects ("**IVC**").

Municipal Water and Wastewater

Revenue from the MWW business unit was $4.7 million in H1 2026 (H1 2025: $4.8 million), representing a reduction of 1.2%. Gross Profit[2] in H1 2026 was $1.8 million (H1 2025: $1.8 million) and EBITDA[1] was ($0.2) million (H1 2025: $0.2 million).

The MWW business unit is comprised of operations in North America and the Middle East. While the Company will continue to leverage its established position in the Middle East, the primary focus of the Company's growth investment remains building out the North American team and marketing Fluence to the North American market. Revenue and EBITDA[1] for H1 2026 were lower than the prior corresponding period primarily due to the timing of project execution and customer order delays. Gross margins[2] were maintained at 37.6% in H1 2026 (H1 2025: 37.0%).

The outlook for the business unit remains positive, with activity expected to accelerate during H2 2026 as projects progress and order momentum improves. Management expects MWW to deliver a stronger result in H2 2026 than in H1 2026.

During the half-year, as part of its Middle East reorganisation, Fluence decided to exit its operations in Egypt, which management determined to be non-core. These operations have been classified as a discontinued operation. Refer to note 5 to the financial statements.

Industrial Wastewater & Biogas

Revenue from the IWB business unit was $8.1 million in H1 2026 (H1 2025: $4.9 million), representing a growth of 66.0%. Gross Profit[2] in H1 2026 was $2.5 million (H1 2025: $1.3 million) and EBITDA[1] was $1.2 million (H1 2025: $0.3 million).

The IWB business unit is comprised of operations in Italy as well as North and South America (sales and engineering only). IWB was the strongest performing core business unit in H1 2026, with revenue increasing $3.2 million and EBITDA[1] increasing $0.9 million, reflecting continued growth in higher-margin SPS solutions and improved project execution. Gross margins[2] improved to 30.5% in H1 2026 (H1 2025: 27.6%).

The expansion of the North American teams, partners and sales representatives continues to be the focus of the Company's growth initiatives, with a focus on the industrial wastewater and wastewater-to-energy product lines. IWB has also continued to focus on growth in South America through its established presence in Argentina and Brazil. Management expects IWB to significantly exceed its FY2025 financial performance.

[1] EBITDA as well as SG&A and R&D excludes the impact of Other Gains and Losses, which include FX gains and losses, share-based payments, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.
[2] Gross Profit margin excludes the impact of depreciation and amortisation and, therefore, will not match Note 4.

Industrial Water & Reuse

Revenue from the IWR business unit was $6.9 million in H1 2026 (H1 2025: $7.9 million), a reduction of 11.8% due to the timing of project execution and customer order delays. Gross Profit[2] in H1 2026 was $2.2 million (H1 2025: $3.1 million) and EBITDA[1] was $0.5 million (H1 2025: $1.5 million).

The IWR business unit is comprised of operations in Argentina, Brazil and North America (sales and engineering only). Gross margins[2] of 32.0% in H1 2026 (H1 2025: 39.8%) reflect a lower-margin project mix in the period. IWR also benefited from several projects outperforming budgeted gross margin[2] in H1 2025 as compared to the current period. The business unit booked its first order in the United States during Q2 2026, quickly followed by a second, further demonstrating the success of the growth strategy enacted over the past few years.

The primary focus for growth for H2 2026 and beyond remains continued growth in Brazil and North America. The outlook for the business unit remains positive, with activity expected to accelerate during H2 2026, and management is forecasting IWR to deliver a stronger result in H2 2026 than in H1 2026.

Southeast Asia and China

Revenue from the SEA & China business unit for H1 2026 was $3.4 million (H1 2025: $2.5 million), representing growth of 37.4%. Gross Profit[2] was $1.1 million in H1 2026 (H1 2025: $0.5 million) and EBITDA[1] was $0.1 million (H1 2025: ($0.3) million).

The SEA & China business unit is comprised of operations in China and sells SPS equipment solutions in Taiwan, Singapore, the Philippines, Vietnam, Cambodia and South Korea, with China being the only manufacturing location.

The business unit returned to positive EBITDA[1] in H1 2026 through improved project execution and stronger order activity across the region, particularly in the regions of renewed focus across SEA. Gross margins[2] improved materially to 34.0% in H1 2026 (H1 2025: 19.7%). Management expects the business unit to deliver significantly improved results compared to FY2025 and considers it well-positioned for further growth into FY2027.

Global Water Services

Revenue from the GWS business unit was $1.3 million in H1 2026 (H1 2025: $1.3 million). Gross Profit[2] in H1 2026 was $0.3 million (H1 2025: $0.2 million) and EBITDA[1] was $0.4 million (H1 2025: $0.3 million).

GWS, formerly reported as BOO, encompasses the Company's recurring revenue businesses, including significant O&M contracts, BOO projects, equipment rentals, spare parts and consumables sales. Fluence currently has BOO projects in the Bahamas and Jamaica, which are supported by dedicated local operations as well as a team based in the United States.

GWS maintained revenue consistent with the prior corresponding period while increasing EBITDA[1], reflecting continued stable performance across its recurring revenue activities. Gross margins[2] improved to 25.3% in H1 2026 (H1 2025: 14.6%). Management expects GWS to continue delivering consistent earnings through the remainder of FY2026.

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[1] EBITDA as well as SG&A and R&D excludes the impact of Other Gains and Losses, which include FX gains and losses, share-based payments, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.
[2] Gross Profit margin excludes the impact of depreciation and amortisation and, therefore, will not match Note 4.

Ivory Coast

Revenues from the IVC project were $14.0 million in H1 2026 (H1 2025: $12.7 million), representing growth of 10.5%. Gross Profit[2] in H1 2026 was $5.3 million (H1 2025: $1.6 million) and EBITDA[1] was $5.0 million (H1 2025: $1.4 million). Gross margins[2] improved to 37.6% in H1 2026 (H1 2025: 12.8%). The increase in Gross Profit[2] and EBITDA[1] primarily reflects the recognition of the 2025 O&M maintenance fees of $3.5 million, together with continued strong operating performance on the Addendum project.

The Addendum project continues to progress on budget, with the majority of the works expected to be completed by the end of September 2026 and the remaining swamp stabilisation and bridge works expected by year-end 2026.

As of 30 June 2026, the Company has collected seven (7) milestone payments related to the Addendum totalling €42.4 million, representing approximately 87.6% of the contract value. Milestone payment 7 was received in two instalments: €4.2 million on 24 April 2026 and €1.8 million on 27 June 2026. The remaining milestone payments 8 and 9, which collectively amount to approximately €6.0 million, are expected to be collected during Q4 2026 - Q1 2027 as the project nears completion.

During H1 2026, the Company reached an agreement with the Ivory Coast government with respect to the value of the 2025 O&M maintenance services to be paid to Fluence ($3.5 million). O&M maintenance services continue to be provided throughout FY 2026, however, the precise amount of the fees for such services has not yet been finalised. Fluence is continuing its efforts to secure a long-term O&M contract for the plant and is negotiating exclusively with the client.

Key Wins in H1 2026 and July 2026

The Company secured a number of important wins in H1 2026 and July 2026, including:

- Confidential Steel Manufacturer (USA): $3.7 million water treatment plant ("**WTP**");
- SWater (Vietnam): SWRO with MMF desal plant (confidential price);
- Ivory Coast (Côte d'Ivoire): $3.5 million in 2025 O&M maintenance fees for maintenance services provided in FY2025;
- Dow (Argentina): $3.4 million UF and 2-pass BWRO for demi-water production;
- EGA (Dubai): Two (2) separate orders totalling $1.7 million. $0.6 million EDI WTP and a $1.1 million demineralised water plant;
- Confidential Hazardous Waste Company (Italy): $1.5 million Anaerobic digestion pretreatment;
- CAP (Italy): $0.7 million wastewater treatment plant ("**WWTP**");
- Red Bluffs (USA): $0.6 million WTP;
- Stockade (USA): $0.5 million Aspiral MABR WWTP;
- Climax Molybdenum (USA): $0.4 million WWTP;
- Multiple Customers (SEA): $0.2 million Aspiral MABR WWTPs; and
- iTest (China): $0.1 million Aspiral MABR WWTPs.

Cash Flow

As at 30 June 2026, Cash and Cash Equivalents were $10.9 million (31 December 2025: $16.6 million). In addition, the Company held $4.0 million in short and long-term deposits, of which approximately $3.8 million are held as collateral for bank guarantees for the Ivory Coast Main Works. Operating cash flow used in H1 2026 was $6.4 million, compared to operating cash flow generated of $4.9 million in H1 2025. The Company generated positive operating cash flow of $1.8 million in Q2 2026, which included the receipt of milestone 7 of the Ivory Coast Addendum project of €6.0 million, with a number of the related vendor payments scheduled to be settled during Q3 2026. As a result of the timing of these receipts and payments, Q3 2026 operating cash flow is expected to be negative but is anticipated to reverse in Q4 2026.

Fluence invested $0.4 million in various capital projects in H1 2026 (H1 2025: $0.6 million).

The Company drew $1.5 million under its revolving credit facility during Q2 2026 to support working capital requirements and expects to repay this drawdown during H2 2026.

[1] EBITDA as well as SG&A and R&D excludes the impact of Other Gains and Losses, which include FX gains and losses, share-based payments, gains and losses related to various legacy balance sheet items, restructuring, and other non-recurring items.
[2] Gross Profit margin excludes the impact of depreciation and amortisation and, therefore, will not match Note 4.

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Update on Potential Impact of the Middle East Conflict

During Q1 2026, geopolitical tensions in the Middle East escalated following the conflict involving Iran, Israel, the United States as well as several other countries in the region, including the United Arab Emirates, Qatar and Lebanon. The situation increased volatility in global energy markets and supply chains, particularly due to disruptions in key shipping routes such as the Strait of Hormuz, through which approximately 20% of global oil supply typically ships. These developments have contributed to heightened uncertainty across the region, including increased freight costs, longer logistics lead times and continued volatility in global supply chains.

From an operational standpoint, Fluence continues to closely monitor developments across the region and remains focused on maintaining operational flexibility. The Company has implemented a number of mitigation strategies over the past 18 months, including diversified sourcing, regional supply chain flexibility and disciplined project pricing, all of which help manage potential disruption should conditions deteriorate further. Management continues to assess developments and will adjust its sourcing, logistics and project execution strategies where appropriate.

From a market perspective, the conflict has created a more uncertain operating environment, with many companies reporting delays in investment decisions and project activity. Fluence continues to actively engage with its customers and believes the long-term fundamentals supporting demand for water and wastewater infrastructure remain strong. The Company has not experienced any direct impact on the business such as project or order cancellations; however, it has experienced some delays in order timelines as a result of deferred or delayed investment decisions with some customers. At this time, the Company is not projecting a material financial impact from the conflict, although the geopolitical environment remains volatile and subject to change.

Updates to Fluence's Management Team

The Company announced the appointment of Jeremy Dayment as Chief Operating Officer ("**COO**"), effective 27 July 2026. Mr Dayment brings almost 30 years of operational, technical and commercial leadership experience spanning engineering, project management, sales, operations, supply chain, P&L and executive leadership.

Mr Dayment joins Fluence after 25 years at Newterra, where he most recently served as President – Engineered Solutions and also held other senior roles, including COO, VP Sales & Marketing and managed various teams across Sales and Engineering. During his time at Newterra, Mr Dayment helped scale the company to one of the highest-performing mid-market water companies with top-tier EBITDA margins and was a critical contributor to successful exits in 2020 and 2025. Mr Dayment worked closely with Ben Fash, Fluence CEO and Managing Director, while at Newterra from 2012-2021, helping to turn the business from an unprofitable company to one with strong positive EBITDA, ultimately leading to its sale to a private equity owner in 2020.

Working closely with the CEO, executive team and other senior leaders across Fluence, Mr Dayment's responsibilities will include leadership of the MWW business unit, enhancing global execution capabilities (with a particular focus on global cross-border projects), global project management, procurement and safety.

Mr Dayment holds a degree in Electronics Engineering Technology from the RCC Institute of Technology and a Bachelor of Technology from the Memorial University of Newfoundland. His extensive executive leadership experience, through both turnaround and growth stages, combined with his proven ability to enhance processes and structure for scalable growth will be tremendous assets for Fluence as the Company enters its next phase of growth.

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Review of Financial Results

The Company has used United States Dollars (US$) as its presentation currency in the attached financial report.

The revenue from ordinary activities from continuing operations for the six months ended 30 June 2026 was $37,632,000 (2025: $32,851,000) and the loss from ordinary activities from continuing operations before tax was $385,000 (2025: loss of $3,965,000).

Cost of sales from continuing operations for the six months ended 30 June 2026 increased to $24,391,000 (2025: $24,297,000).

Total fixed costs including R&D, Sales & Marketing, and General & Administrative expenses for the six months ended 30 June 2026 increased to $11,943,000 (2025: $10,035,000)[1].

The Company's net liabilities decreased by $687,000 to $9,405,000 as at 30 June 2026 from $10,092,000 as at 31 December 2025.

Significant Changes in the State of Affairs

During H1 2026, as part of its Middle East reorganisation, the Company decided to exit its operations in Egypt, which management determined to be non-core. These operations have been classified as a discontinued operation.

Other than this matter, there was no significant change in the state of affairs of the Company during H1 2026.

Events After the Reporting Period

In July 2026, the Company reached an agreement with Nikolaus Oldendorff and Doug Brown (the "**Lenders**") to extend the maturity of the Company's existing $20.0 million revolving credit facility (the "**Revolving Credit Facility**") for an additional 12 months to 31 July 2027, on substantially the same commercial terms as the original Revolving Facility before the 3-month extension. The interest rate will continue to be variable and linked to the U.S. Prime Rate (currently 6.75%). The existing conditions precedent, financial covenants, events of default and security arrangements remain unchanged. Each Lender is a member of the Company's Board of Directors and a shareholder of the Company.

The Company announced the appointment of Mr Jeremy Dayment as Chief Operating Officer, effective 27 July 2026.

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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[1] *Includes depreciation, amortisation and share-based payments.*

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Ben Fash
CEO and Managing Director
31 August 2026
Plymouth, Minnesota

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DECLARATION OF INDEPENDENCE BY KATHERINE ROBERTSON TO THE DIRECTORS OF FLUENCE CORPORATION LIMITED

As lead auditor for the review of Fluence Corporation Limited for the half-year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Fluence Corporation Limited and the entities it controlled during the period.

Katherine Robertson
Director

BDO Audit Pty Ltd

Melbourne, 31 August 2026

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Statement of profit or loss and other comprehensive income 10
Statement of financial position 12
Statement of changes in equity 14
Statement of cash flows 15
Notes to the financial statements 16
Note 1. General information and basis of preparation 16
Note 2. Going concern 16
Note 3. Material accounting policy information 16
Note 4. Segment information 16
Note 5. Discontinued operations 18
Note 6. Operating revenue 21
Note 7. Other gains/(losses) 21
Note 8. People cost (Share-based payments) 22
Note 9. Earnings per share 22
Note 10. Trade and other receivables 24
Note 11. Inventories 24
Note 12. Concession asset 24
Note 13. Intangible assets 25
Note 14. Long-term deposits 25
Note 15. Trade and other payables and other liabilities 25
Note 16. Borrowings 26
Note 17. Contributed equity 26
Note 18. Recognised fair value measurements 27
Note 19. Commitments and contingent liabilities 27
Note 20. Events after the reporting period 27
Directors' declaration 28
Independent auditor's review report to the members of Fluence Corporation Limited 29

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General information

The financial statements cover Fluence Corporation Limited as a Group consisting of Fluence Corporation Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in US dollars, which is Fluence Corporation Limited's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2026.

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2025 and any public announcements made by Fluence Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Fluence Corporation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2026

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	Note	Consolidated 30 June 2026 USD $'000	Consolidated 30 June 2025 USD $'000
Revenue from continuing operations	6	37,632	32,851
Expenses			
Cost of sales		(24,391)	(24,297)
Research and development expenses		(657)	(889)
Sales and marketing expenses		(3,093)	(2,015)
General and administrative expenses		(8,193)	(7,131)
Other losses	7	(899)	(1,743)
Finance costs		(784)	(741)
Loss before income tax benefit/(expense) from continuing operations		(385)	(3,965)
Income tax benefit/(expense)		209	(124)
Loss after income tax benefit/(expense) from continuing operations		(176)	(4,089)
Profit/(loss) after income tax expense from discontinued and held for sale operations	5	(676)	337
Loss after income tax benefit/(expense) for the half-year		(852)	(3,752)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		400	1,363
Other comprehensive income for the half-year, net of tax		400	1,363
Total comprehensive income for the half-year		(452)	(2,389)
Other comprehensive income for the half-year			
From continuing operations		419	1,474
From discontinued operations		(19)	(111)
		400	1,363
Loss for the half-year is attributable to:			
Non-controlling interest		(29)	95
Owners of Fluence Corporation Limited		(823)	(3,847)
		(852)	(3,752)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(28)	109
Discontinued operations		(1)	(14)
Non-controlling interest		(29)	95
Continuing operations		271	(2,322)
Discontinued operations		(694)	(162)
Owners of Fluence Corporation Limited		(423)	(2,484)
		(452)	(2,389)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2026

		US Dollars	US Dollars
Earnings per share for loss from continuing operations attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	9	(0.00013)	(0.00351)
Diluted earnings per share	9	(0.00013)	(0.00351)
Earnings per share for profit/(loss) from discontinued operations attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	9	(0.00059)	(0.00005)
Diluted earnings per share	9	(0.00059)	(0.00005)
Earnings per share for loss attributable to the Owners of Fluence Corporation Limited			
Basic earnings per share	9	(0.00072)	(0.00356)
Diluted earnings per share	9	(0.00072)	(0.00356)

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The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 30 June 2026 USD $'000	Consolidated 31 December 2025 USD $'000
Assets			
Current assets			
Cash and cash equivalents		10,932	16,640
Other financial assets		6	6
Trade and other receivables	10	32,252	24,805
Inventories	11	4,619	4,586
Prepayments		2,663	3,150
Concession arrangement assets	12	271	271
Other assets		100	71
Total current assets		50,843	49,529
Non-current assets			
Deferred tax assets		1,937	1,708
Property, plant and equipment		8,835	9,032
Intangible assets	13	591	617
Concession arrangement assets	12	2,093	2,228
Long-term deposits	14	3,962	4,124
Other assets		44	71
Total non-current assets		17,462	17,780
Total assets		68,305	67,309
Liabilities			
Current liabilities			
Trade and other payables and other liabilities	15	29,118	32,883
Borrowings	16	20,470	18,189
Lease liabilities		441	479
Current tax liabilities		84	115
Provisions		1,475	2,513
Contract liabilities		10,076	7,018
Total current liabilities		61,664	61,197
Non-current liabilities			
Lease liabilities		469	645
Provisions		542	521
Contract liabilities		15,035	15,038
Total non-current liabilities		16,046	16,204
Total liabilities		77,710	77,401
Net liabilities		(9,405)	(10,092)

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The above statement of financial position should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 30 June 2026 USD $'000	Consolidated 31 December 2025 USD $'000
Equity			
Contributed equity	17	234,974	234,810
Reserves		2,912	1,537
Accumulated losses		(245,184)	(244,361)
Deficiency attributable to the Owners of Fluence Corporation Limited		(7,298)	(8,014)
Non-controlling interest		(2,107)	(2,078)
Total deficiency		(9,405)	(10,092)

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The above statement of financial position should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Statement of changes in equity
For the half-year ended 30 June 2026

Consolidated	Contributed equity USD $'000	Reserves USD $'000	Accumulated losses USD $'000	Non-controlling interest USD $'000	Total deficiency USD $'000
Balance at 1 January 2025	232,614	(1,608)	(236,279)	(2,218)	(7,491)
Profit/(loss) after income tax expense for the half-year	-	-	(3,847)	95	(3,752)
Other comprehensive income for the half-year, net of tax	-	1,363	-	-	1,363
Total comprehensive income for the half-year	-	1,363	(3,847)	95	(2,389)
Transactions with Owners in their capacity as Owners:					
Issue of ordinary shares, net of transaction costs	250	(254)	-	-	(4)
Share-based payments	-	569	-	-	569
Balance at 30 June 2025	232,864	70	(240,126)	(2,123)	(9,315)

Consolidated	Contributed equity USD $'000	Reserves USD $'000	Accumulated losses USD $'000	Non-controlling interest USD $'000	Total deficiency USD $'000
Balance at 1 January 2026	234,810	1,537	(244,361)	(2,078)	(10,092)
Loss after income tax benefit for the half-year	-	-	(823)	(29)	(852)
Other comprehensive income for the half-year, net of tax	-	400	-	-	400
Total comprehensive income for the half-year	-	400	(823)	(29)	(452)
Transactions with Owners in their capacity as Owners:					
Issue of ordinary shares, net of transaction costs	164	(166)	-	-	(2)
Share-based payments	-	1,141	-	-	1,141
Balance at 30 June 2026	234,974	2,912	(245,184)	(2,107)	(9,405)

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The above statement of changes in equity should be read in conjunction with the accompanying notes

Fluence Corporation Limited
Statement of cash flows
For the half-year ended 30 June 2026

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Cash flows from operating activities		
Receipts from customers	31,937	43,461
Payments to suppliers and employees	(38,051)	(38,272)
Interest received	37	10
Interest and other costs of finance paid	(66)	(70)
Income taxes paid	(269)	(269)
Net cash from/(used in) operating activities	(6,412)	4,860
Cash flows from investing activities		
Payments for property, plant and equipment	(415)	(571)
Proceeds from sale of property, plant and equipment	50	56
Payments of security deposits	-	(109)
Net cash used in investing activities	(365)	(624)
Cash flows from financing activities		
Proceeds from borrowings	1,500	410
Repayment of borrowings	(9)	(1,045)
Principal portion of lease liabilities	(294)	(356)
Transaction costs related to the issuance of ordinary shares	(2)	(4)
Net cash from/(used in) financing activities	1,195	(995)
Net increase/(decrease) in cash and cash equivalents	(5,582)	3,241
Cash and cash equivalents at the beginning of the financial half-year	16,640	8,945
Effects of exchange rate changes on cash and cash equivalents	(126)	534
Cash and cash equivalents at the end of the financial half-year	10,932	12,720

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The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. General information and basis of preparation

These Interim Financial Statements of the Company are for the six months ended 30 June 2026 (the **"Interim Financial Statements"**) and are presented in United States Dollars, which is the Company's presentation currency. These general purpose Interim Financial Statements have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required in Annual Financial Statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2025 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The Interim Financial Statements have been approved and authorised for issue by the board of directors on 31 August 2026.

Note 2. Going concern

The financial statements have been prepared on the going concern basis which assumes the consolidated entity will have sufficient cash to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

As at 30 June 2026 the Company had cash and cash equivalents of $10,932,000. In addition to that the Company had $3,962,000 in long-term deposits, of which approximately $3,800,000 are held as collateral for bank guarantees for the Ivory Coast Main Works.

Subsequent to 30 June 2026, the Company extended its existing US$20.0 million Revolving Credit Facility through 31 July 2027. The extension was agreed on substantially the same commercial terms as the existing facility and provides continued access to working capital to support the Company’s operations. Refer to note 16 for further details.

The consolidated entity has prepared a cash flow forecast supported by detailed assumptions and scenario planning directed to sustaining business growth. These assumptions do not include any planned capital raises or changes. These forecasts indicate that the consolidated entity expects to have sufficient funds to support its ongoing operations for a period of at least 12 months from the date the financial report was authorised for issue.

As at 30 June 2026, the Company had a substantial contracted sales backlog of US$59,831,000. Accordingly, the Company expects to earn significant revenue over the next 12 months and beyond. The resulting net cash flows associated with this revenue will provide further working capital to the consolidated entity.

Note 3. Material accounting policy information

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the Company's last Annual Financial Statements for the year ended 31 December 2025.

The accounting policies have been applied consistently throughout the Company for the purposes of preparation of these Interim Financial Statements. The principal accounting policies adopted are consistent with those of the previous accounting period and corresponding interim reporting period, unless stated otherwise.

Rounding of amounts

The amounts contained in the Directors' Report and in the Financial Report have been rounded to the nearest $1,000 or $1,000,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Report) Legislative Instrument 2026/183. The Company is an entity to which the Legislative Instrument applies.

Note 4. Segment information

The Company has identified six primary reporting segments based on the internal reports that are reviewed by the Managing Director and Chief Executive Officer, who is identified as the Chief Operating Decision Maker (“**CODM**”). The internal reports reviewed by the CODM assess performance and determine the allocation of resources.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

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Note 4. Segment information (continued)

The Company's operating segments are:

- 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 decarbonisation, 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 centres;
- 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 significant Operations & Maintenance ("**O&M**"), Build-Own-Operate ("**BOO**") projects; and
- The Ivory Coast Main Works and Ivory Coast Addendum projects ("**IVC**").

2026	**MWW $'000**	**IWB $'000**	**IWR $'000**	**SEA & China $'000**	**GWS $'000**	**IVC $'000**	**Intersegment Elimination $'000**	**Corporate $'000**	**Fluence $'000**
Revenue									
Revenue from continuing operations	4,741	8,115	6,938	3,373	1,253	14,031	(819)	-	37,632
	4,741	8,115	6,938	3,373	1,253	14,031	(819)	-	37,632
Segment gross profit	1,783	2,469	2,220	1,052	307	5,281	129	-	13,241
Operating expenses	(2,104)	(1,369)	(1,876)	(1,110)	(164)	(282)	(129)	(4,909)	(11,943)
Depreciation and amortisation	78	118	117	164	34	-	-	235	746
Other EBITDA adjustments	27	27	27	22	197	-	-	1,038	1,338
Segment EBITDA	(216)	1,245	488	128	374	4,999	-	(3,636)	3,382
Share of profits of associates	-	-	-	-	-	-	-	-	-
Profit/loss from discontinued operations	(662)	-	-	-	(14)	-	-	-	(676)
Other losses, finance cost and income tax	(1,027)	(76)	(56)	120	62	391	-	(888)	(1,474)
Segment results	(2,010)	1,024	288	62	191	5,390	-	(5,797)	(852)

2025[1]	**MWW $'000**	**IWB $'000**	**IWR $'000**	**SEA & China $'000**	**GWS $'000**	**IVC $'000**	**Intersegment Elimination $'000**	**Corporate $'000**	**Fluence $'000**
Revenue									
Revenue from continuing operations	4,797	4,889	7,866	2,454	1,338	12,694	(1,187)	-	32,851
	4,797	4,889	7,866	2,454	1,338	12,694	(1,187)	-	32,851
Segment gross profit	1,772	1,340	3,015	398	195	1,601	233	-	8,554
Operating expenses	(1,627)	(1,174)	(1,675)	(825)	(69)	(214)	(233)	(4,218)	(10,035)
Depreciation and amortisation	84	118	141	204	-	24	-	247	818
Other EBITDA adjustments	16	15	16	(74)	204	-	-	596	773
Segment EBITDA	245	299	1,497	(297)	330	1,411	-	(3,375)	110
Profit/loss from discontinued operations	393	-	-	-	(56)	-	-	-	337
Other losses, finance cost and income tax	86	4	(648)	(588)	36	(42)	-	(1,456)	(2,608)
Segment results	624	170	692	(1,015)	106	1,345	-	(5,674)	(3,752)

[1] *2025* Segment results for H1 2025 were adjusted to reflect the Company's operations in Egypt as discontinued operations

Note 4. Segment information (continued)

Intersegment transactions

Intersegment transactions are made at market rates and are eliminated on consolidation.

Balance sheet disclosures for each reporting segment have not been included as they are not reviewed by the CODM.

Note 5. Discontinued operations

(a) Discontinued operations

(i) Description

During the half-year ended 30 June 2026, Fluence decided to exit its Egypt operations, The International Company for Water Services & Infrastructure S.A.E. ("IWS"), which management determined to be non-core following an extensive review of the future potential of the business. Fluence will seek to work with its minority partners to pursue a suspension of operations with the ultimate goal of closing and liquidating the IWS business. IWS was established in 2018 as a joint venture with Eagle Capital Investment S.A.E. and Egyptian Company for Investment Project S.A.E.; Fluence is the 75% majority owner of IWS and leads the business operationally. These operations have been classified as a discontinued operation. At 30 June 2026, the IWS operations held total assets of $1.1 million and total liabilities of $6.1 million, including $5.6 million related-party liabilities, resulting in net liabilities of $5.0 million. Exiting these operations is expected to streamline Fluence's focus on its core MWW operations.

During the half-year ended 30 June 2026, the Company continued to classify its San Quintin project in Mexico ("Fluence SQ") and its operations in Colombia as discontinued operations.

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the half-year ended 30 June 2026.

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
IWS		
Revenue	85	212
Cost of sales	(103)	(144)
Sales and marketing expenses	(23)	(18)
General and administrative expenses	(65)	(100)
Other gains/(losses)	(569)	458
Finance income/(costs)	13	(6)
Profit/(loss) after income tax from discontinued operations	(662)	402
Cash flow from operating activities	757	(27)
Cash flow from investing activities	-	51
Effects of exchange rate changes on cash and cash equivalents	(94)	(4)
Net increase in cash and cash equivalents from discontinued operations	**663**	**20**

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Note 5. Discontinued operations (continued)

	Consolidated 30 June 2026 USD $'000	Consolidated 30 June 2025 USD $'000
Fluence Colombia		
General and administration expenses	-	(9)
Loss after income tax from discontinued operations	-	(9)
Cash flow from operating activities	-	(7)
Effects of exchange rate changes on cash and cash equivalents	-	1
Net decrease in cash and cash equivalents from discontinued operations	-	(6)

	Consolidated 30 June 2026 USD $'000	Consolidated 30 June 2025 USD $'000
Fluence SQ		
General and administrative expenses	(12)	(32)
Income tax expense	(2)	(24)
Loss after income tax from discontinued operations	(14)	(56)

	Consolidated 30 June 2026 USD $'000	Consolidated 30 June 2025 USD $'000
Cash flow from operating activities	-	(34)
Effects of exchange rate changes on cash and cash equivalents	-	2
Net decrease in cash and cash equivalents from discontinued operations	-	(32)

	Consolidated 30 June 2026 USD $'000	Consolidated 30 June 2025 USD $'000
Gain/(loss) after income tax expense from discontinued operations		
IWS	(662)	402
Fluence Colombia	-	(9)
Fluence SQ	(14)	(56)
Profit/(loss) after income tax from discontinued operations	(676)	337

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Note 5. Discontinued operations (continued)

(b) Carrying amounts of assets and liabilities related to discontinued operations.

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
IWS		
Cash and cash equivalents	664	1
Trade and other receivables	161	1,831
Inventory	54	55
Prepayments	27	29
Other current assets	51	50
Long-term deposits	145	150
Total assets	1,102	2,116
Trade and other payables	345	76
Provisions	56	62
Deferred revenue	-	242
Long-term deferred revenue	156	161
Related-party liabilities	5,585	5,965
Total liabilities	6,142	6,506
Net liabilities	(5,040)	(4,390)

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Fluence Colombia		
Cash and cash equivalents	4	4
Trade and other receivables	3	3
Total assets	7	7
Trade and other payables and other liabilities	70	51
Total liabilities	70	51
Net liabilities	(63)	(44)

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Fluence SQ		
Cash and cash equivalents	1	1
Trade and other receivables	45	36
Other assets	2	2
Property, plant and equipment	144	140
Total assets	192	179
Trade and other payables and other liabilities	178	158
Net assets	14	21

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Note 6. Operating revenue

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Contract revenue		
Smart product solutions	18,663	14,987
Custom engineering solutions	10,473	12,686
Total contract revenue	29,136	27,673
Service revenue		
Services	6,861	3,401
Parts and consumables	382	439
Concession assets contracts	1,253	1,338
Total service revenue	8,496	5,178
Total operating revenue	37,632	32,851

Revenue has been disaggregated based on contract revenue (inclusive of Smart Product Solutions and Custom Engineering Solutions) and service revenue (inclusive of Recurring Revenue). They comprise distinct revenue streams and margins. Refer to note 4 for disaggregation of revenue by operating segments.

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Timing of revenue recognition		
Goods transferred at a point in time	29,136	27,468
Services transferred over time	8,496	5,383
Total operating revenue	37,632	32,851

Note 7. Other gains/(losses)

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Other gains/(losses)		
Foreign exchange loss	(626)	(374)
Onerous contract provision	(136)	(371)
Non-operating expenses	(53)	(77)
Restructuring provision	-	(722)
Provision for intangible assets	-	(321)
Foreign currency transactions costs	-	(7)
Loss on disposal of property, plant and equipment	-	(5)
Change in inventory provision	-	109
Other	(84)	25
Total other losses	(899)	(1,743)

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Note 8. People cost (Share-based payments)

Set out below are summaries of options granted to directors, consultants, and employees under the Company's employee share option plan:

30 June 2026

Grant / change date	Expiry date	Exercise price (AU$)	Granted	Exercised	Cancelled/ Lapsed/ Forfeited	Balance at 30 June 2026
Opening balance			268,471,872	(4,634,104)	(96,943,459)	166,894,309
30 January 2026	1 January 2027	0.18	-	-	(7,800)	(7,800)
30 January 2026	14 March 2027	0.28	-	-	(156,250)	(156,250)
30 January 2026	15 January 2028	0.23	-	-	(50,000)	(50,000)
1 June 2026	30 May 2033	0.12	3,500,000	-	-	3,500,000
30 June 2026	30 June 2026	0.22	-	-	(500,000)	(500,000)
Closing balance			271,971,872	(4,634,104)	(97,657,509)	169,680,259

As of 30 June 2026, 78,485,259 of the options out of the outstanding total of 169,680,259 under the Company's employee share option plan have vested.

Expenses arising from share-based payment transactions	Consolidated	
	30 June 2026 USD $'000	**30 June 2025 USD $'000**
Share-based payment expense		
Employee share-based payments	949	329
Director share-based payments	187	189
Consultants share-based payments	5	51
	1,141	569

Note 9. Earnings per share

	Consolidated	
	30 June 2026 USD $'000	**30 June 2025 USD $'000**
Earnings per share for loss from continuing operations		
Loss after income tax	(176)	(4,089)
Non-controlling interest	28	293
Loss after income tax attributable to the Owners of Fluence Corporation Limited	(148)	(3,796)
	$	**$**
Basic earnings per share	(0.00013)	(0.00351)
Diluted earnings per share	(0.00013)	(0.00351)

Note 9. Earnings per share (continued)

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Earnings per share for profit/(loss) from discontinued operations		
Profit/(loss) after income tax	(676)	337
Non-controlling interest	1	(388)
Loss after income tax attributable to the Owners of Fluence Corporation Limited	(675)	(51)
	$	**$**
Basic earnings per share	(0.00059)	(0.00005)
Diluted earnings per share	(0.00059)	(0.00005)

	Consolidated	
	30 June 2026 USD $'000	30 June 2025 USD $'000
Earnings per share for loss		
Loss after income tax	(852)	(3,752)
Non-controlling interest	29	(95)
Loss after income tax attributable to the Owners of Fluence Corporation Limited	(823)	(3,847)
	$	**$**
Basic earnings per share	(0.00072)	(0.00356)
Diluted earnings per share	(0.00072)	(0.00356)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,143,183,232	1,081,305,225
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,143,183,232	1,081,305,225

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Note 10. Trade and other receivables

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Trade receivables	22,045	14,233
Less: Allowance for expected credit losses	(3,553)	(2,963)
	18,492	11,270
Contract assets (unbilled receivables)	8,952	8,808
GST and other taxes receivable	3,537	3,718
Income tax receivable	876	636
Other receivables	395	373
	13,760	13,535
Other - long-term receivables	1,211	1,245
Provision for impairment - long-term receivables	(1,211)	(1,245)
Total trade and other receivables	32,252	24,805

Note 11. Inventories

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Raw materials - at cost	3,633	3,411
Work in progress - at cost	912	1,006
Finished goods - at lower of cost or net realisable value	74	169
Total inventories	4,619	4,586

Note 12. Concession asset

In July 2018 the Company entered into a service concession arrangement in the Bahamas to build a seawater desalination potable water treatment plant. The onsite execution and construction started in October 2018 and was completed in October 2019. Under the terms of the agreement, the Company will operate the desalination plant and provide water to the grantor for an expected period of 15 years, unless the grantor exercises its buyout clause. The Company will be responsible for any maintenance services required during the concession period. The grantor provides the Company a guaranteed minimum annual payment for each year that the desalination plant will be in operation. At the end of the concession period, the desalination plant will become the property of the grantor and the Company will have no further involvement in its operation or maintenance requirements. For the six months ended 30 June 2026, the Company has recognised revenue of $1,172,000 on the desalination plant.

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Current concession asset	271	271
Non-current concession asset	2,093	2,228
Total concession asset	2,364	2,499

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Note 13. Intangible assets

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Capitalised development costs		
Opening net book amount	617	970
Impairment loss	-	(323)
Amortisation charge	(65)	(141)
Currency translation differences	39	111
Closing net book amount	591	617

Note 14. Long-term deposits

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Collections from customers deposited for a period of more than twelve months	3,962	4,124

Long-term deposits are collections from the Ivory Coast projects deposited for a period of more than twelve months.

Note 15. Trade and other payables and other liabilities

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Trade payables	9,879	10,426
Accrued payroll liabilities	2,225	2,966
Accrued project expenses	14,722	16,153
Government grants (i)	96	500
Other accruals	2,196	2,838
Total trade and other payables and other liabilities	29,118	32,883

(i) Government grant liability

The Company participates in programs sponsored by the Office of the Chief Scientist ("**OCS**") of Israel, for the support of research and development projects. In exchange for the OCS's participation in the programs, the Company is required to repay the grant and interest by way of royalties at a rate between 3% and 4.5% of sales to end customers of products developed with funds provided by the OCS, if and when such sales are recognised. As of 30 June 2026 and 31 December 2025, the Company recognised a liability to the OCS in the amount of $96,000 and $500,000, respectively, for the obligation for future royalty payments. The recognition of a liability for the Company to repay the grants from future royalty payments is based on its estimation at each reporting date.

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Note 16. Borrowings

In July 2024, the Company successfully obtained a new revolving credit facility, issued by two of the Company's Directors (the "**Lenders**"), for up to $15.0 million (the "**Revolving Facility**"). The proceeds from the Revolving Facility were used to repay the remaining balance on the loan facility with Upwell Water LLC (the "**Upwell Facility**"). The terms of the Revolving Facility are more favourable to the Company than the Upwell Facility. In October 2024, the facility was increased by $5.0 million to a total commitment of $20.0 million to provide additional working capital and funding for new projects. Security in respect of the Revolving Facility was initially limited to a maximum of $6.0 million.

The Revolving Facility originally matured on 29 April 2026. In April 2026, the Company exercised its option to extend the maturity date to 31 July 2026, with interest accruing at the U.S. Prime Rate plus 500 basis points.

In July 2026, following the end of the reporting period, the Company and the Lenders agreed to extend the maturity of the $20.0 million Revolving Facility to 31 July 2027 on substantially the same commercial terms as the original Revolving Facility before the 3-month extension. The interest rate will continue to be variable and linked to the U.S. Prime Rate with no additional margin (currently 6.75%). The existing conditions precedent, financial covenants, events of default and security arrangements remain unchanged.

	Consolidated	
	30 June 2026 USD $'000	31 December 2025 USD $'000
Borrowings		
Current borrowings and interest payable	20,470	18,189

Note 17. Contributed equity

(a) Ordinary shares - fully paid

	Number of shares	USD $'000
Opening balance 1 January 2025	1,080,966,412	232,614
Issue of shares in lieu of Director's fees	8,880,084	407
Issue of shares in lieu of interest on Shareholder loan	51,972,097	1,801
Transaction costs arising on share issue	-	(12)
Balance 31 December 2025	1,141,818,593	234,810

	Number of shares	USD $'000
Opening balance 1 January 2026	1,141,818,593	234,810
Issue of shares in lieu of Director's fees	2,460,691	166
Transaction cost arising on share issue	-	(2)
Balance 30 June 2026	1,144,279,284	234,974

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Note 17. Contributed equity (continued)

Transaction costs relating to share issues Under AASB 132 Financial Instruments Presentation, incremental costs that are directly attributable to issuing new shares should be deducted from equity. Accordingly, the share issue expense relates to costs associated with the issuance of shares in lieu of directors' fees; costs directly attributable to the issuing of new shares have been deducted from equity.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Note 18. Recognised fair value measurements

Due to their short-term nature, the carrying amounts of trade and other receivables, trade and other payables and provisions are assumed to approximate their fair values because the impact of discounting is not significant.

Government grant liability is the only item measured at fair value.

The fair value of the government grant liability is determined by the expected future royalty payments based on the estimation at each reporting date.

	Government grants USD $'000
Opening balance at 1 January 2025	515
Adjustment to fair value of liability	(14)
Currency translation differences	(1)
Closing balance at 31 December 2025	500
Payments	(370)
Currency translation differences	(34)
Closing balance at 30 June 2026	96

Note 19. Commitments and contingent liabilities

There were no material ongoing litigations as at 30 June 2026.

Note 20. Events after the reporting period

In July 2026, the Company reached an agreement with Nikolaus Oldendorff and Doug Brown (the "**Lenders**") to extend the maturity of the Company's existing $20.0 million revolving credit facility (the "**Revolving Credit Facility**") for an additional 12 months to 31 July 2027, on substantially the same commercial terms as the original Revolving Facility before the 3-month extension. The interest rate will continue to be variable and linked to the U.S. Prime Rate (currently 6.75%). The existing conditions precedent, financial covenants, events of default and security arrangements remain unchanged. Each Lender is a member of the Company's Board of Directors and a shareholder of the Company.

The Company announced the appointment of Mr Jeremy Dayment as Chief Operating Officer, effective 27 July 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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Fluence Corporation Limited
Directors' declaration
30 June 2026

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Ben Fash
CEO and Managing Director
31 August 2026
Plymouth, Minnesota

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fluence Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Fluence Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Katherine Robertson
Director

Melbourne, 31 August 2026

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