



FLUENCE

A Siemens and AES Company

Barclays – CEO Energy and Power Conference

SEPTEMBER 6-7, 2022

Disclaimer

Forward-Looking Statements

The statements described herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements set forth above under “Total Revenue Guidance” and other statements regarding future financial performance, revenue guidance for fiscal year 2022, anticipated demand for Fluence’s energy storage products, impact of the proposed Inflation Reduction Act of 2022 or any other proposed legislation, business strategies, expansion plans, future results of operations, future revenue recognition and estimated revenues, losses, projected costs, prospects, plans and objectives of management and expectations as to resolution of supply chain disruptions. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this presentation, words such as “may,” “possible,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions and variations thereof and similar words and expressions are intended to identify such forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this presentation are based on our current expectations and beliefs concerning future developments, as well as a number of assumptions concerning future events, and their potential effects on our business. These forward-looking statements are not guarantees of performance, and there can be no assurance that future developments affecting our business will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, which include, but are not limited to, our ability to achieve or maintain profitability, our ability to successfully execute our business and growth strategy, including realizing the expected benefits of our partnerships with ReNew, Pexapark and QuantumScape and from our acquisition of Nispera as well as other strategic initiatives we may enter into in the future, our ability to develop new product offerings and services, the potential adverse effects of the ongoing global COVID-19 pandemic, including capacity constraints within the shipping industry, increased shipping costs and delays in the shipping of our energy storage products, projects delays and site closures and cost-overruns and other factors set forth under Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021, filed with the Securities and Exchange Commission (“SEC”) on December 14, 2021, Item 1A. “Risk Factors” in our Quarterly Reports on Form 10-Q, and in other filings we make with the SEC from time to time. New risks and uncertainties emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the effect of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. **You are cautioned not to place undue reliance on any forward-looking statements made in this presentation. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that occur, or which we become aware of, after the date hereof, except as otherwise may be required by law.**

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit (Loss), Adjusted Gross Profit Margin, Adjusted Net Income (Loss), and Free Cash Flow among others, which are designed to complement the financial information presented in accordance with GAAP because management believes such measures are useful to investors. Our non-GAAP metrics have limitations as analytical tools, and you should not consider them in isolation. The Company believes that these measures are important and supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. See the Appendix to this presentation for a reconciliation of the non-GAAP financial measures to the nearest GAAP measure, which should be carefully evaluated.





SECTION I

About Us

OUR MISSION

Transform the way we power our world to create a more sustainable future.

PURPOSE-BUILT



PURPOSE-DRIVEN



Fluence is uniquely positioned to deliver value



Experienced +
Proven Management Team

14 YEARS IN ENERGY STORAGE
6 GENERATIONS OF TECH



Large Installed Base
Creates Ecosystem

~16 GW DIGITAL APPS
UNDER MANAGEMENT OR
CONTRACTED ⁽²⁾



Category Creator
with Global Track Record

1st EVER LITHIUM-ION
BATTERY SYSTEM ON THE
GRID



Global Supply Chain +
Regional Operating Model

PRESENCE IN 30 MARKETS



Disruptive Digital and Software
Products – Fluence IQ™

OPTIMIZING >18% OF GRID-SCALE
SOLAR AND WIND IN AUSTRALIA ⁽¹⁾



Battery Technology-Agnostic

BATTERY SUPPLY
CONTRACTED THROUGH
2023, WITH ACCESS TO
NEXT-GEN TECHNOLOGIES ⁽³⁾



(1) % estimated based on Fluence AUM or contracted in the Australian National Electricity Market
(2) As of June 30, 2022
(3) Contracted battery supply through 2023, collaboration agreement in place with QuantumScape for solid-state technology when commercially viable

Fluence is a global leader in energy storage products and services and digital offerings for renewables & storage

FLUENCE ENERGY STORAGE ⁽¹⁾ & OS



5,140+
TOTAL MW



205+
PROJECTS



>280 TB
OF GLOBAL FLEET DATA



30+
CONTROLS APPLICATIONS

FLUENCE SERVICES ⁽²⁾



25+
OPERATING PROJECTS



3,360+ MW
ASSETS UNDER MANAGEMENT

FLUENCE IQ DIGITAL PLATFORM

MOSAIC



8,170+
MW OF AI-OPTIMIZED
BIDDING OF RENEWABLES
AND STORAGE



50%
POTENTIAL STORAGE
REVENUE UPLIFT THROUGH
AUTOMATED BIDDING⁽³⁾

NISPERA



25+
COUNTRIES UTILIZING
NISPERA



8,250+
MW OF RENEWABLE
ASSETS UNDER
MANAGEMENT ⁽²⁾



(1) Deployed and contracted as of June 30, 2022
(2) Assets under management or contracted as of June 30, 2022
(3) Fluence analysis: performed with one year of prices at HAAS_7_B11 price node and NP-15 AS trading zone in CAISO, compared to manual trading

A trusted partner for leading companies globally

With a broad range of customers across multiple segments

UTILITIES / IPPs



FINANCIALS



C&I





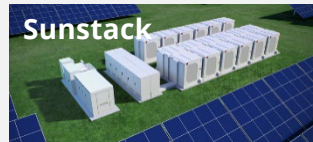
SECTION II

Fluence Offerings

We help customers manage the energy transition through configurable product, service, and digital application packages

Fluence Energy Storage Products & OS

Purpose-built energy storage with integrated hardware & Fluence OS controls software, coupled with engineering, design, & commissioning services options



- Engineering
- Design
- Consultative Services
- Delivery Services

Fluence Services

Comprehensive operational services tailored to project needs, including full-wrap capabilities



Operational Services



- Maintenance
- Guarantees, Warranties
- Training
- Capacity Management

Digital Apps for Renewables and Storage

Optimize renewable assets and energy storage with software products and applications that address dispatch, market participation, battery performance, and more

Mosaic
(bidding
app)

Dispatch
App

Nispera

Invest
App

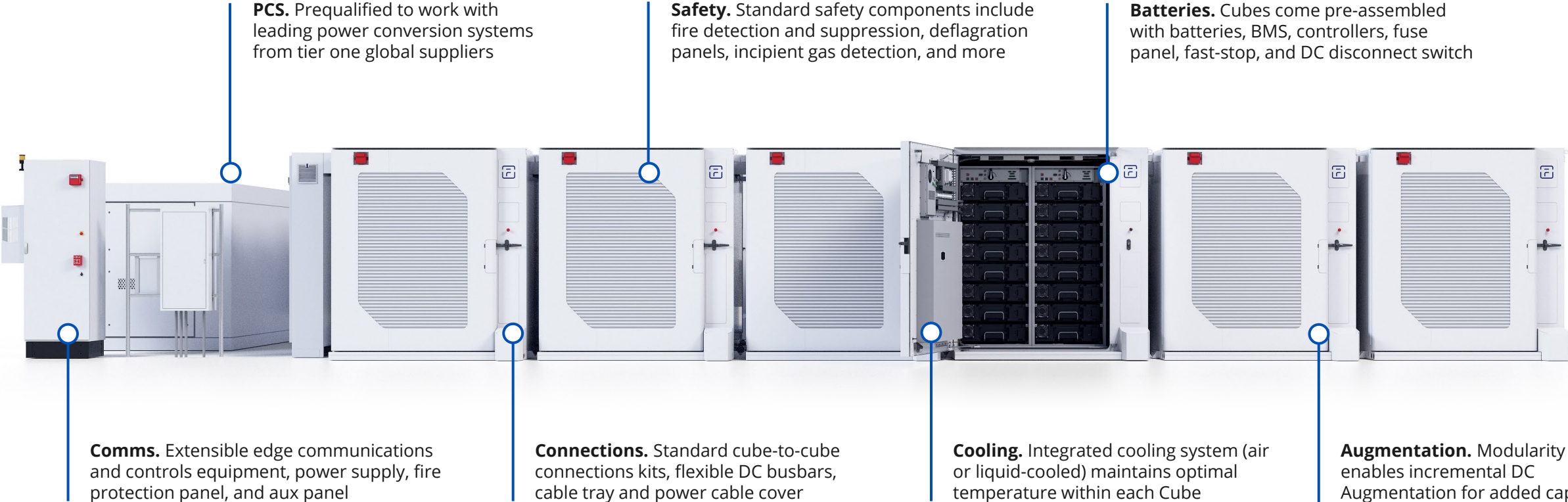
Additional
Fluence
Apps

3rd Party
Apps



Pre-configured storage products

Delivered as core-only or fully wrapped turnkey systems



PCS. Prequalified to work with leading power conversion systems from tier one global suppliers

Safety. Standard safety components include fire detection and suppression, deflagration panels, incipient gas detection, and more

Batteries. Cubes come pre-assembled with batteries, BMS, controllers, fuse panel, fast-stop, and DC disconnect switch

Comms. Extensible edge communications and controls equipment, power supply, fire protection panel, and aux panel

Connections. Standard cube-to-cube connections kits, flexible DC busbars, cable tray and power cable cover

Cooling. Integrated cooling system (air or liquid-cooled) maintains optimal temperature within each Cube

Augmentation. Modularity enables incremental DC Augmentation for added capacity



GRIDSTACK™

A grid-scale, industrial-strength energy storage system designed for the most demanding market applications with industry-leading reliability, scalability, and safety.



EASILY CONFIGURABLE

- Configure key components from pre-qualified Tier 1 suppliers.
- Enhance your system for specific market applications with a range of optimized dispatch algorithms.



HIGHLY SCALABLE

- Scale-out design drives efficiencies in project permitting and delivery to reduce your implementation risk.
- Consistency across cores and project locations simplifies training, operations, and maintenance.



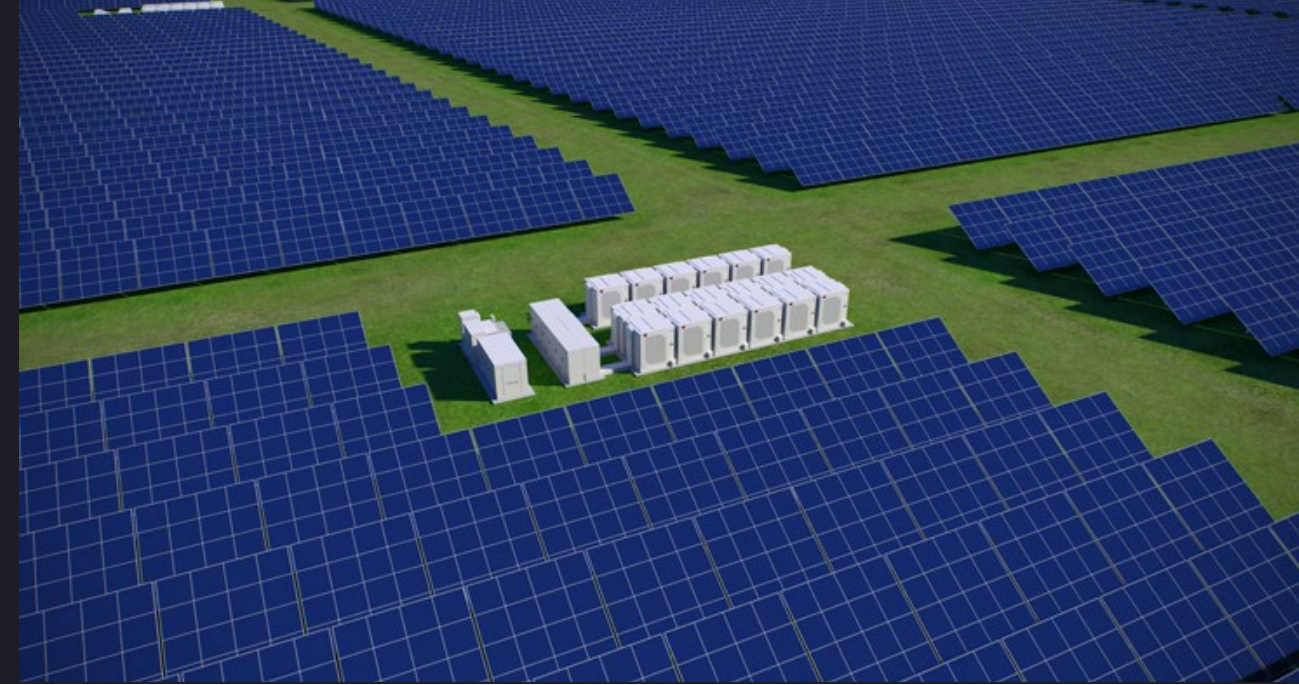
TOTAL SYSTEM SAFETY

- Equipped with comprehensive safety features throughout the integrated technology stack.
- Factory-built design brings consistent quality control to your storage system for the highest level of safety.



SUNSTACK™

A PV-optimized, co-located energy storage system designed to improve and expand the capabilities of solar generation and simplify the interconnection process.



PV OPTIMIZED

- Pre-designed to work with leading solar power product manufacturers.
- Distributed layout minimizes cable runs and improves project efficiency.
- Simplifies ITC credit compliance process.



INTEGRATED INTELLIGENCE

- Market dispatch applications support common solar plus storage use cases.
- Prioritize how the system operates alongside solar with PV-specific modes.
- Increase revenue and asset value by stacking additional grid services.



TOTAL SYSTEM SAFETY

- Equipped with comprehensive safety features throughout the integrated technology stack.
- Factory-built design brings consistent quality control to your storage system for the highest level of safety.



EDGESTACK™

A connection-ready commercial and industrial energy storage system designed to support 500+ kW applications with rapid deployment and minimum footprint.



CONNECTION READY

- Fully integrated with all batteries, racking, inverters, safety features, cooling, and software controls.
- Quiet, emissions-free, occupies a small footprint and can be sited at nearly any C&I location.



FLEET OPTIMIZED

- Configure to meet your requirements, then deploy across a fleet of facilities or customers.
- Repeatable system drives efficiencies in project design and permitting, while consistency across project locations simplifies Training and O&M.



TOTAL SYSTEM SAFETY

- Equipped with comprehensive safety features throughout the integrated technology stack.
- Factory-built design brings consistent quality control to your storage system for the highest level of safety.



What Fluence services bring to energy storage assets



GUARANTEES

Safeguard asset revenue potential over project life with degradation, capacity, and availability guarantees



PARTS & WARRANTIES

Secure the system with back-to-back OEM equipment warranties and extensive Fluence claims support



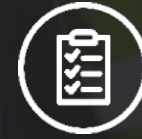
MAINTENANCE

Maintain equipment and optimal operating condition with preventative and reactive maintenance



REPORTING

Understand asset state of health, performance, and risk with monthly system analysis and KPI reporting



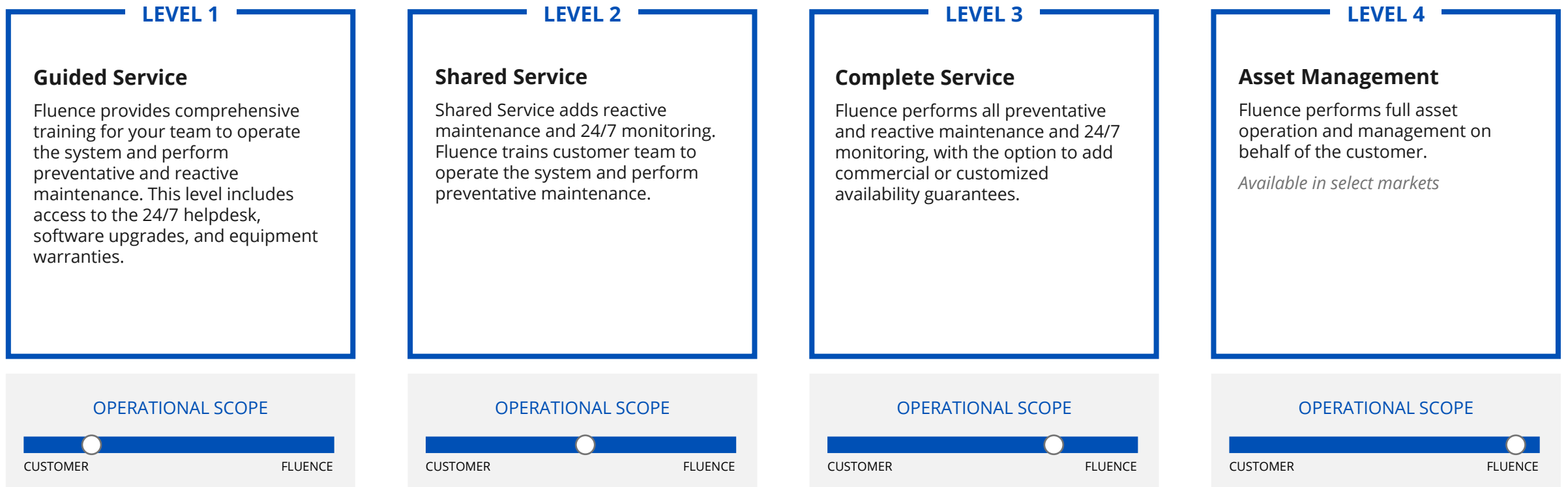
TRAINING

Receive comprehensive training delivered by experienced service reps - included with all storage systems



Customizable packages offer different levels of service options

Designed around varying levels of customer capabilities, risk tolerance, and business environment



FLUENCE MOSAIC™

An AI-enabled digital platform for solar, wind, and energy storage. Mosaic automates wholesale market participation to maximize the value of assets and portfolios.



FORECASTING

- Advanced machine learning analyzes thousands of variables to predict future market prices every five minutes.
- Produce probabilistic price forecasts that minimize error and maximize returns.



OPTIMIZATION

- Automatically generate optimal bids, considering price forecasts, operational constraints, price elasticity, and business objectives.
- Incorporate warranty constraints and operating parameters into asset optimization.



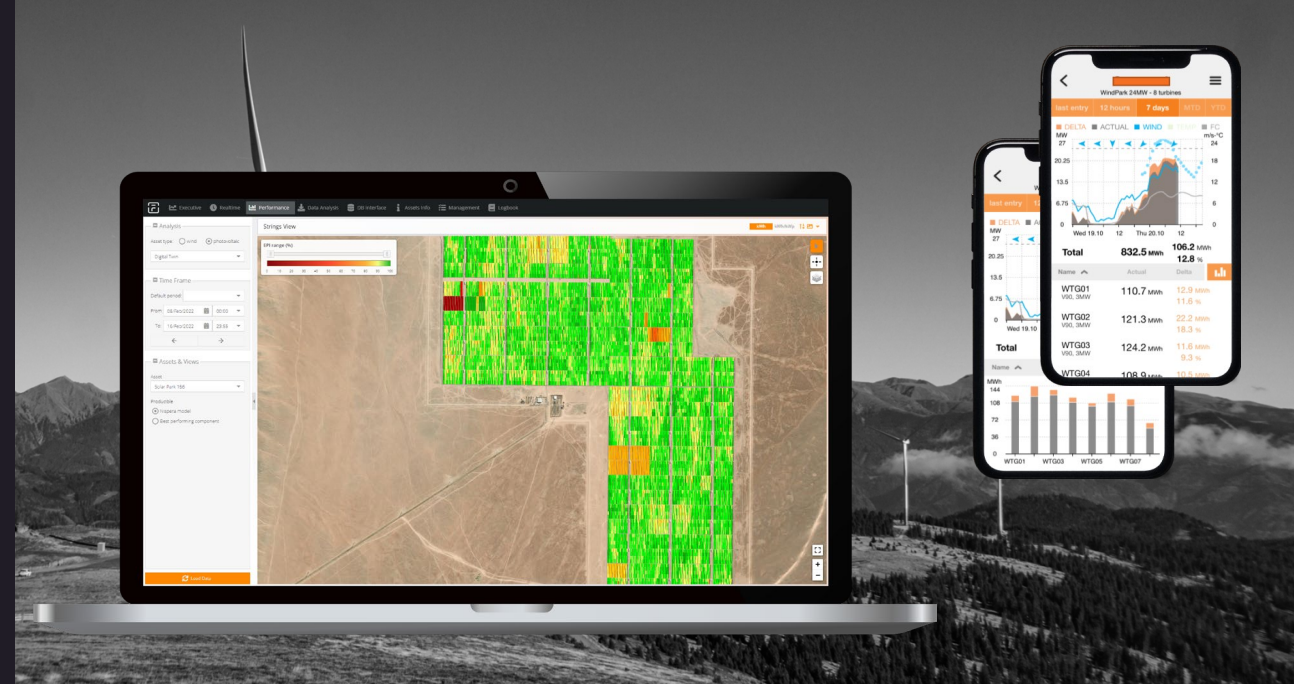
BIDDING

- Incorporate your organization's risk tolerance levels with our bidding strategy expertise to prepare ISO-compliant bids for submission.
- Algorithms operate in full compliance with all market rules and requirements.



NISPERA™

Cloud-based Asset Performance Management (APM) software that leverages machine learning models and big-data visualization tools to optimize the performance and value of renewable energy assets



MONITOR

- Integrates SCADA data from renewable assets with weather forecast, energy market and grid data, etc.
- Define alerts based on certain outcomes to receive real-time notifications



ANALYZE

- Advanced machine learning analyzes thousands of variables to condition predictive maintenance models
- Generates reports ranging from daily to annually tailored towards a variety of use cases and end users



OPTIMIZE

- Supervise assets' operation in real-time to identify possible areas of improvement
- Performance overview reports assist in improving asset uptime and increasing revenue capture





SECTION III

FY 2022 Third Quarter Financial Highlights

Third Quarter FY22 Highlights

REVENUE

\$239M

PRODUCT ORDER INTAKE

311 MW

GAAP GROSS MARGIN

(2%)

vs. (4%) Q2/FY22

SERVICES ORDER INTAKE

81 MW

BACKLOG

\$2.1B

FLUENCE IQ ORDER INTAKE

804 MW



Progress on Gross Margin improvement quarter over quarter. Continued focus on profitable growth.



Generated **positive cash flow** for the second consecutive quarter increasing our liquidity as we focus on improving our margin profile.



US Inflation Reduction Act provides 30% investment tax credit for standalone storage and other incentives, expect 20%+ upside for US energy storage demand.



Starting production at **US contract manufacturing** in September 2022.



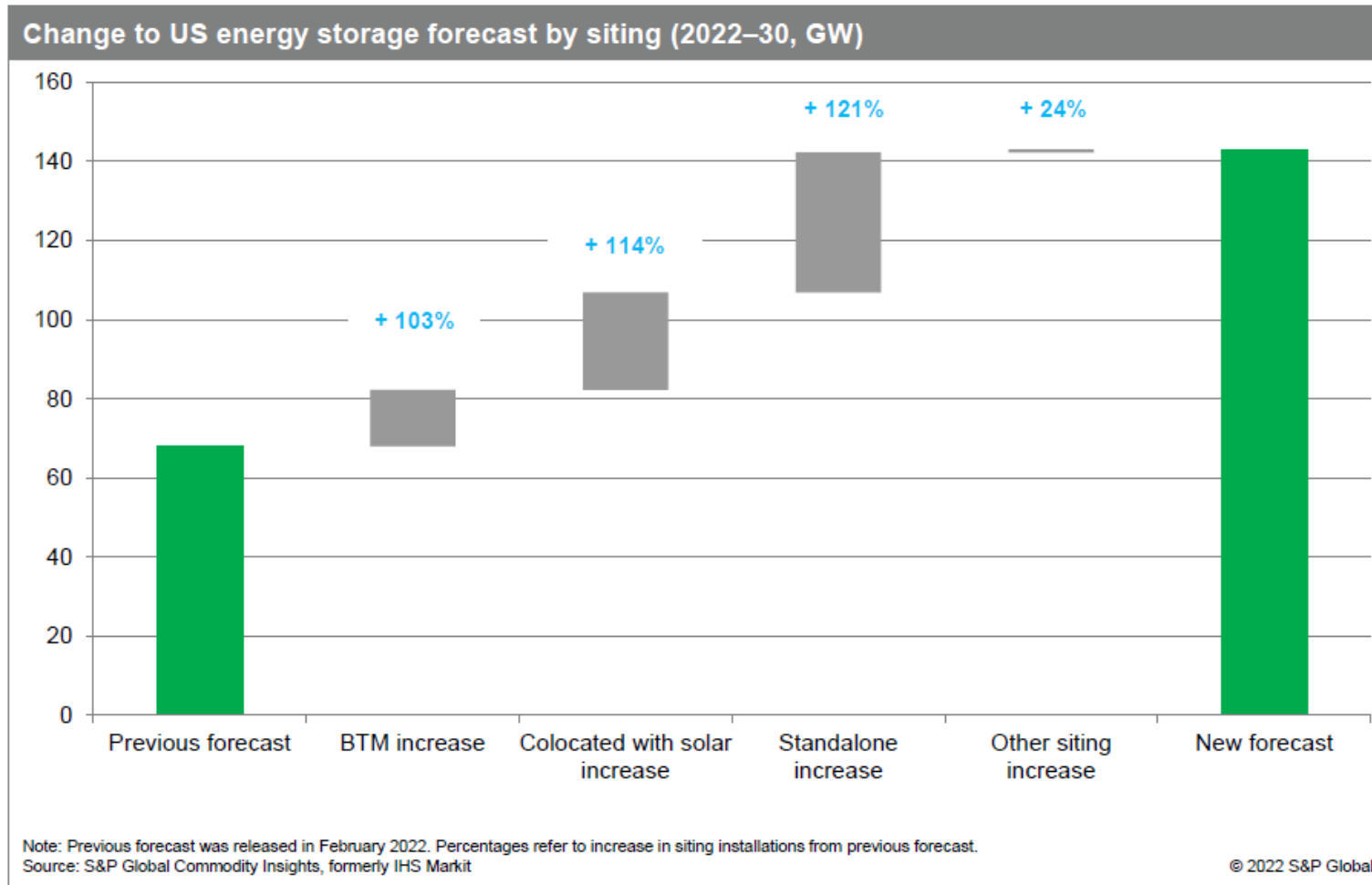
Signed India JV with ReNew Power, capitalizing on the first mover advantage for this strategic market, and opened India Tech Hub in Q3.



Hired Krishna Vanka as **new Chief Digital Officer**, and Manu Sial as **new Chief Financial Officer**.



Passage of Inflation Reduction Act Expected to Drive Dramatic Growth in US Energy Storage



- S&P Global forecasts the IRA accelerates energy storage installations by more than 70 GWs by 2030
- Creates increase in overall US demand for energy storage
- Enhances business cases and provides upside for incremental margin expansion in 2024+
- Potentially creates supply / demand imbalance, shifting pricing power in favor of suppliers
- Domestic manufacturing benefits from IRA Section 48C



Key Highlights



Utah facility well positioned following passage of IRA



Potential for an additional USA based facility following passage of IRA



Europe facility designed with Northvolt partnership in mind



Fluence Contract Manufacturing Locations

Regionalizing our supply chains








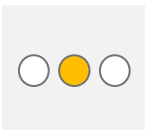






Update on Improvement Actions

PROGRESS ON IMPROVEMENT ACTIONS

TRENDS VS Q2

Trending vs PQ

SUPPLY CHAIN DISRUPTIONS		Shipping <ul style="list-style-type: none"> Shipping rates flattening Port of Shanghai seeing delays 	<ul style="list-style-type: none"> Seeing benefits of expanding to multiple shipping partners through increased options 	
		Battery Production <ul style="list-style-type: none"> Still under Force Majeure, yet seeing recovery in volumes delivered Expect to be fully recovered by end of Q1 FY23 		
COMPOUNDING EFFECTS OF COVID-19		<ul style="list-style-type: none"> Fully remediated, expect to remove from list 		
RAW MATERIAL PRICE VOLATILITY		Legacy Contracts <ul style="list-style-type: none"> Working with customers to reprice contracts in light of the higher price environment; mild success so far, more work to be done 		
		New Contracts <ul style="list-style-type: none"> RMI (raw material indexed) pricing is now the industry standard 		
PROJECT COST OVERRUNS		<ul style="list-style-type: none"> Continued unanticipated costs associated with installation and commissioning including balance of plant and transformer challenges at a few specific projects Faulty or sub-standard supplier components driving overruns and impeding project completion; working on diversifying vendors yet seeing long lead times; implementing quality assurance testing 		



●○○ Challenges largely mitigated

○●○ Improvement actions ongoing

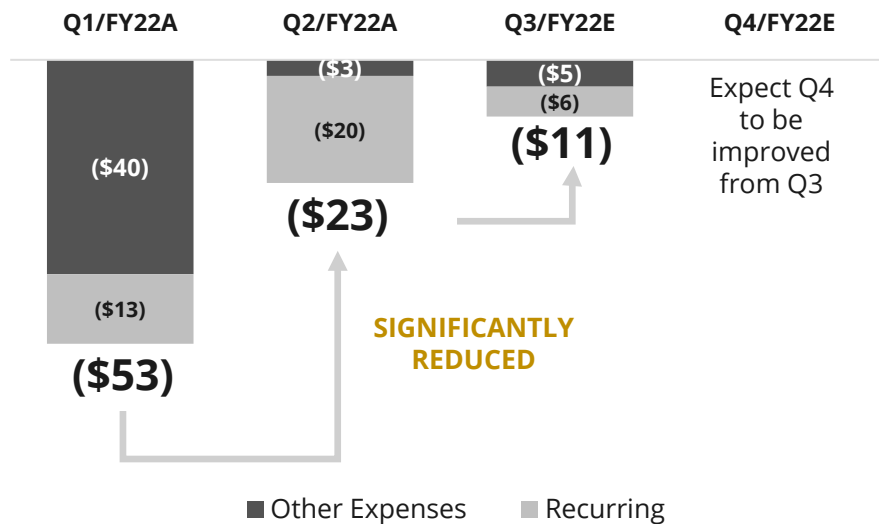
○○● Require step-up of improvement actions

PRODUCTS GROSS PROFIT

Reducing adverse margin impacts in FY22; Increasing margin through pricing & other levers in FY23/24; Upside from Inflation Reduction Act in FY24+

LEVER #1: REDUCE FY22 ADVERSE MARGIN IMPACTS

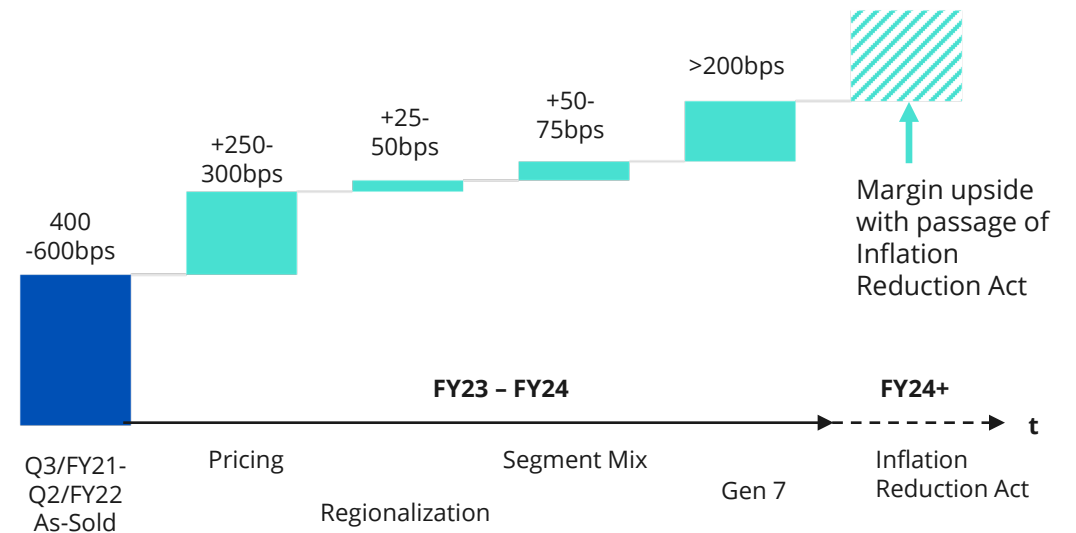
Adverse impacts on GAAP Margin by quarter – in \$MM



- As mitigation efforts are underway, we've seen significant quarter over quarter improvement on reducing adverse margin impacts. Expect progress to continue in Q4.

LEVER #2: INCREASE AS-SOLD MARGIN FOR FY23 and FY24 REVENUE

Margin expansion Energy Storage Products



- Successfully pushing pricing on new contracts – [on track](#)
- Expect first US contract manufacturing facility to come online September 2022 – [on track](#)
- Seeing traction in transmission segment – [early stage](#)
- Executing on our Gen 7 roadmap – [early stage](#)
- Enhanced business cases from Inflation Reduction Act provides margin upside.





Total Revenue Guidance

Reaffirming guidance for FY2022 revenues of approximately \$1.1 billion.

We expect Q4/FY22 total revenue of approximately \$345 million.

Our guidance is based on a contracted backlog of \$2.1 billion as of June 30, 2022.





Definitions

Pipeline -Represents our uncontracted, potential revenue from energy storage products, service, and digital software contracts currently in process, which have a reasonable likelihood of contract execution within 24 months.

Contracted Backlog - Represent signed purchase orders or contractual minimum purchase commitments with take-or pay provisions.

- For our energy storage product contracts, contracted backlog includes signed customer orders or contracts under execution prior to when substantial completion is achieved.
- For service contracts, contracted backlog includes signed service agreements associated with our storage product projects that have not been completed.
- For digital applications contracts, contracted backlog includes signed agreements where the associated subscription has not started.

Deployed - represents cumulative energy storage products that have achieved substantial completion and are not decommissioned.

Assets Under Management - Asset under management for service contracts represents our long-term service contracts with customers associated with our completed energy storage products. We start providing maintenance, monitoring, or other operational services after the storage product projects are completed. Asset under management for digital software contracts represents the amount of MW under signed digital application contracts, including Fluence IQ Bidding Application.

Appendix: Non-GAAP Financial Measures & Reconciliations

(\$ in thousands)

	THREE MONTHS ENDED JUNE 30,			
	2022	2021	CHANGE	CHANGE %
NET LOSS	\$ (60,829)	\$ (38,776)	\$ (22,053)	(56.9)%
ADD (DEDUCT):				
INTEREST EXPENSE (INCOME), NET	(226)	424	(650)	153.3
INCOME TAX EXPENSE (BENEFIT)	(979)	1,680	(2,659)	(158.3)
DEPRECIATION AND AMORTIZATION	1,972	1,262	710	56.3
STOCK-BASED COMPENSATION ^(a)	7,397	—	7,397	n/a
OTHER EXPENSES ^(b)	4,270	18,150	4,270	n/a
ADJUSTED EBITDA	\$ (48,395)	\$ (17,260)	\$ (12,985)	(36.7)%

(a) Includes awards that will be settled in shares and awards that will be settled in cash.

(b) Amount for the three months ended June 30, 2022 included a \$3.9 million related to COVID-19 pandemic costs related to project charges net of excess shipping costs, and a \$0.4 million loss related to the 2021 Cargo Loss Incident.



Appendix: Non-GAAP Financial Measures & Reconciliations

(\$ in thousands)

	THREE MONTHS ENDED JUNE 30,			
	2022	2021	CHANGE	CHANGE %
TOTAL REVENUE	\$239,010	\$278,195	\$(39,185)	(14.1) %
COST OF GOODS AND SERVICES	244,207	293,150	(48,943)	(16.7)
GROSS PROFIT (LOSS)	(5,197)	(14,955)	9,758	(65.2)
ADD (DEDUCT):				
STOCK-BASED COMPENSATION ^(a)	2,604	—	2,604	n/a
OTHER EXPENSES ^(b)	4,270	16,637	(12,367)	n/a
ADJUSTED GROSS PROFIT (LOSS)	\$ 1,677	\$1,682	\$(5)	(0.3)%
ADJUSTED GROSS PROFIT (LOSS) MARGIN %	0.7 %	0.6%		

(a) Includes awards that will be settled in shares and awards that will be settled in cash.

(b) Amount for the three months ended June 30, 2022 included a \$3.9 million related to COVID-19 pandemic costs related to project charges net of excess shipping costs, and a \$0.4 million loss related to the 2021 Cargo Loss Incident.



Appendix: Non-GAAP Financial Measures & Reconciliations

(\$ in thousands)

	THREE MONTHS ENDED JUNE 30,			
	2022	2021	CHANGE	CHANGE %
NET LOSS	\$ (60,829)	\$ (38,776)	\$ (22,053)	(56.9)%
ADD (DEDUCT):				
AMORTIZATION OF INTANGIBLE ASSETS	1,334	888	446	50.2
STOCK-BASED COMPENSATION ^(a)	7,397	—	7,397	n/a
OTHER EXPENSES ^(b)	4,270	18,150	(13,880)	n/a
ADJUSTED NET (LOSS) INCOME	\$ (47,828)	\$ (37,888)	\$ (28,090)	(142.3)%

(a) Includes awards that will be settled in shares and awards that will be settled in cash.

(b) Amount for the three months ended June 30, 2022 included a \$3.9 million reduction related to COVID-19 pandemic costs as a result of release of prior period project charges net of excess shipping costs, and a \$0.4 million loss related to the 2021 Cargo Loss Incident.

(\$ in thousands)

	NINE MONTHS ENDED JUNE 30,			
	2022	2021	CHANGE	CHANGE %
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$(60,943)	\$(139,277)	\$78,334	56.2%
LESS: PURCHASE OF PROPERTY AND EQUIPMENT	(2,675)	(2,999)	324	(10.8)
FREE CASH FLOWS	\$(63,618)	\$(142,276)	\$78,658	55.3%





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