UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 001-40978

Fluence Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**87-1304612**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4601 Fairfax Drive, Suite 600 **Arlington, Virginia**	**22203**
(Address of Principal Executive Offices)	(Zip Code)

(833) 358-3623
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.00001 par value	FLNC	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 6, 2025, the registrant had 131,006,984 shares of Class A common stock outstanding and 51,499,195 shares of Class B-1 common stock outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (this "Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Report are forward-looking statements. In particular, statements regarding our future results of operations and financial position, operational performance, the Company's business, growth, and innovation strategy and the efficacy of our products and services to meet evolving needs, future market and industry growth and related opportunities for the Company, projected operating costs, our ability to differentiate our products and optimize our cost structure, our ability to compete, liquidity and access to capital, the timing of future revenue recognition, future capital expenditures and debt service obligations, the Company's expected growth and demand for our energy storage solutions, services, and digital application offerings and the industry generally, relationships with new and existing customers and suppliers, introduction of new energy storage solutions, services, and digital application offerings and adoption of such offerings by customers, our domestic content strategy, assumptions relating to the Company's tax receivable agreement, expectations relating to backlog, pipeline, contracted backlog, and order intake, current expectations relating to legal proceedings, impacts and benefits from the Inflation Reduction Act of 2022 (the "IRA") and related domestic content guidelines on us and our customers, potential impact of the changes to the IRA pursuant to the One Big Beautiful Bill Act ("OBBBA") and related executive orders and agency guidance on us, our customers, and our suppliers, the implementation and success of our compliance and risk mitigation strategies related to the foregoing regulatory impacts and uncertainty, potential or estimated impact of tariffs and uncertainty around U.S. and foreign trade policy on the Company, our suppliers, and our customers, potential impact from recent delays in ramp up of U.S. production facilities, and beliefs, assumptions, prospects, plans, and objectives of management, are forward-looking statements. In some cases, you may identify forward-looking statements by terms such as "may," "possible," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "targets," "projects," "contemplates," "grows," "believes," "estimates," "predicts," "potential," "commits," "would," or "continue" or the negative of these terms or other similar expressions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

These forward-looking statements are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, our relatively limited operating and revenue history as an independent entity and the nascent clean energy industry; anticipated increasing expenses in the future, and our ability to maintain prolonged profitability; fluctuations of our order intake and results of operations across fiscal periods; potential difficulties in maintaining manufacturing capacity and establishing expected mass manufacturing capacity in the future; risks relating to delays, disruptions, and quality control problems in our manufacturing operations; risks relating to quality and quantity of components provided by suppliers; risks relating to our status as a relatively low-volume purchaser as well as from supplier concentration and limited supplier capacity; risks relating to operating as a global company with a global supply chain; changes in the cost and availability of raw materials and underlying components; failure by manufacturers, vendors, and suppliers to use ethical business practices and comply with applicable laws and regulations; significant reduction in pricing or order volume or loss of one or more of our significant customers or their inability to perform under their contracts; risks relating to competition for our offerings and our ability to attract new customers and retain existing customers; ability to maintain and enhance our reputation and brand recognition; ability to effectively manage our recent and future growth and expansion of our business and operations; our growth depends in part on the success of our relationships with third parties; ability to attract and retain highly qualified personnel; risks associated with engineering and construction, utility interconnection, commissioning and installation of our energy storage solutions and products, cost overruns, and delays; risks relating to lengthy sales and installation cycle for our energy storage solutions; risks related to defects, errors, vulnerabilities and/or bugs in our products and technology; risks relating to estimation uncertainty related to our product warranties; fluctuations in currency exchange rates; risks related to our current and planned foreign operations; amounts included in our pipeline and contracted backlog may not result in actual revenue or translate into profits; risks related to acquisitions we have made or that we may pursue; events and incidents relating to storage, delivery, installation, operation, maintenance and shutdowns of our products; risks relating to our impacts to our customer relationships due to events and incidents during the project lifecycle of an energy storage solution; actual or threatened health epidemics, pandemics or similar public health threats; ability to obtain financial assurances for our projects; risks relating to whether renewable energy technologies are suitable for widespread adoption or if sufficient demand for our offerings do not develop or takes longer to develop than we anticipate; estimates on size of our total addressable market; barriers arising from current electric utility industry policies and regulations and any subsequent changes; risks relating to the cost of electricity available from alternative sources; macroeconomic uncertainty and market conditions; risk relating to interest rates or a reduction in the availability of tax equity or project debt capital in the global financial markets and corresponding effects on customers' ability to finance energy storage systems and demand for our energy storage solutions; reduction, elimination, modification, expiration, or determination of inapplicability of government incentives or regulations relating to or mandating or encouraging use of renewable energy and/or energy storage or the potential of such reduction, elimination, modification, expiration, or determination of inapplicability of government incentives or regulations; decline in public acceptance of renewable energy, or delay, prevent, or increase in the cost of customer projects; severe weather events; increased attention to ESG matters; restrictions set forth in our current credit agreement and future debt agreements; uncertain ability to raise additional capital to execute on business opportunities; risks related to our 2030 Convertible Senior Notes (as defined herein); our ability to obtain, maintain and enforce proper protection for our intellectual property, including our technology; threat of lawsuits by third parties alleging intellectual property violations; adequate protection for our trademarks and trade names; ability to enforce our intellectual property rights; risks relating to our patent portfolio; ability to effectively protect data integrity of our technology infrastructure and other business systems; use of open-source software; failure to comply with third party license or technology agreements; inability to license rights to use technologies on reasonable terms; risks relating to compromises, interruptions, or shutdowns of our systems; changes in the global trade environment, including imposition of new tariffs, changes to existing tariffs, and related economic uncertainty; potential changes in tax laws or regulations; risks relating to environmental, health, and safety laws and potential obligations, liabilities and costs thereunder; failure to comply with data privacy and data security laws, regulations and industry standards; risks relating to potential future legal proceedings, regulatory disputes, and governmental inquiries; risks related to ownership of our Class A common stock; risks related to us being a "controlled company" within the meaning of the NASDAQ rules; risks relating to the terms of our amended and restated certificate of incorporation and amended and restated bylaws; risks relating to our relationship with our Founders (as defined herein) and our continuing equity owners; risks relating to conflicts of interest by our officers and directors due to positions with continuing equity owners; risks related to short-seller activists; we depend on distributions from Fluence Energy, LLC to pay our taxes and expenses and Fluence Energy, LLC's ability to make such distributions may be limited or restricted in certain scenarios; risks arising out of the Tax Receivable Agreement (as defined herein); unanticipated changes in effective tax rates or adverse outcomes resulting from examination of tax returns; risks relating to improper and ineffective internal control over reporting to comply with Sarbanes-Oxley Act; risks relating to changes in accounting principles or their applicability to us; risks relating to estimates or judgments relating to our critical accounting policies; and the factors described under the headings Part I, Item 1A. "Risk Factors" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, filed with the U.S. Securities and Exchange Commission (the "SEC") on November 29, 2024 (the "2024 Annual Report"), and Part II, Item 1A. "Risk Factors" and Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. We qualify all forward-looking statements contained in this Report by these cautionary statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor 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.

Part I - Financial Information

Item 1. Financial Statements

FLUENCE ENERGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. Dollars in Thousands, except share and per share amounts)

	Unaudited June 30, 2025	September 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 436,322	$ 448,685
Restricted cash	23,566	46,089
Trade receivables, net	152,557	216,458
Unbilled receivables	151,361	172,115
Receivables from related parties	158,376	362,523
Advances to suppliers	214,055	174,532
Inventory, net	654,301	182,601
Current portion of notes receivable - pledged as collateral	—	30,921
Other current assets	59,158	46,519
Total current assets	1,849,696	1,680,443
Non-current assets:		
Property and equipment, net	$ 46,321	$ 15,350
Intangible assets, net	62,273	60,002
Goodwill	28,665	27,482
Deferred income tax asset	2,525	8,880
Other non-current assets	85,670	110,031
Total non-current assets	225,454	221,745
Total assets	$ 2,075,150	$ 1,902,188
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 255,645	$ 436,744
Deferred revenue	545,222	274,499
Deferred revenue with related parties	47,790	38,162
Current portion of borrowings against note receivable - pledged as collateral	—	30,360
Personnel related liabilities	22,546	58,584
Accruals and provisions	221,508	338,311
Taxes payable	7,019	57,929
Other current liabilities	25,104	24,246
Total current liabilities	1,124,834	1,258,835
Non-current liabilities:		
Deferred income tax liability	$ 7,507	$ 7,114
Convertible senior notes, net	390,356	—
Other non-current liabilities	31,609	29,100
Total non-current liabilities	429,472	36,214
Total liabilities	1,554,306	1,295,049
Stockholders' Equity:		
Preferred stock, $0.00001 per share, 10,000,000 shares authorized; no shares issued and outstanding as of June 30, 2025 and September 30, 2024	—	—
Class A common stock, $0.00001 par value per share, 1,200,000,000 shares authorized; 131,675,553 shares issued and 130,860,218 shares outstanding as of June 30, 2025; 130,207,845 shares issued and 129,421,797 shares outstanding as of September 30, 2024, respectively	1	1
Class B-1 common stock, $0.00001 par value per share, 134,325,805 shares authorized; 51,499,195 shares issued and outstanding as of June 30, 2025; 134,325,805 shares authorized; 51,499,195 shares issued and outstanding as of September 30, 2024	—	—
Class B-2 common stock, $0.00001 par value per share, 200,000,000 shares authorized; 0 shares issued and outstanding as of June 30, 2025 and September 30, 2024	—	—
Treasury stock, at cost	(9,950)	(9,460)
Additional paid-in capital	623,228	634,851
Accumulated other comprehensive income (loss)	11,813	(1,840)
Accumulated deficit	(217,708)	(151,448)
Total stockholders' equity attributable to Fluence Energy, Inc.	407,384	472,104
Non-Controlling interests	113,460	135,035
Total stockholders' equity	520,844	607,139
Total liabilities and stockholders' equity	$ 2,075,150	$ 1,902,188

The accompanying notes are an integral part of these condensed consolidated statements.

FLUENCE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(U.S. Dollars in Thousands, except share and per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Revenue	$ 566,926	$ 328,091	$ 947,532	$ 856,125
Revenue from related parties	35,607	155,226	273,407	614,289
Total revenue	602,533	483,317	1,220,939	1,470,414
Cost of goods and services	513,434	400,272	1,068,057	1,286,803
Gross profit	89,099	83,045	152,882	183,611
Operating expenses:				
Research and development	26,011	14,976	65,325	47,843
Sales and marketing	19,822	14,773	59,213	41,271
General and administrative	35,603	45,106	113,722	126,901
Depreciation and amortization	3,628	3,624	9,386	8,589
Interest expense (income), net	1,083	(1,300)	733	(4,554)
Other (income) expense, net	(8,519)	562	(4,315)	(410)
Income (loss) before income taxes	11,471	5,304	(91,182)	(36,029)
Income tax expense	4,577	4,229	869	1,328
Net income (loss)	$ 6,894	$ 1,075	$ (92,051)	$ (37,357)
Net income (loss) attributable to non-controlling interest	$ 642	$ 290	$ (25,791)	$ (12,230)
Net income (loss) attributable to Fluence Energy, Inc.	$ 6,252	$ 785	$ (66,260)	$ (25,127)
Weighted average number of Class A common shares outstanding:				
Basic	130,723,258	127,910,081	130,062,109	125,273,648
Diluted	183,645,493	184,219,065	130,062,109	125,273,648
Income (loss) per share of Class A common stock:				
Basic	$ 0.05	$ 0.01	$ (0.51)	$ (0.20)
Diluted	$ 0.01	$ —	$ (0.51)	$ (0.20)

The accompanying notes are an integral part of these condensed consolidated statements.

FLUENCE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(U.S. Dollars in Thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	$ 6,894	$ 1,075	$ (92,051)	$ (37,357)
Gain (loss) on foreign currency translation, net of tax	13,405	900	16,768	(428)
(Loss) gain on cash flow hedges, net of tax	(5,412)	(3,243)	2,287	(1,883)
Total other comprehensive income (loss)	7,993	(2,343)	19,055	(2,311)
Total comprehensive income (loss)	$ 14,887	$ (1,268)	$ (72,996)	$ (39,668)
Comprehensive income (loss) attributable to non-controlling interest	$ 2,905	$ (384)	$ (20,389)	$ (12,911)
Total comprehensive income (loss) attributable to Fluence Energy, Inc.	$ 11,982	$ (884)	$ (52,607)	$ (26,757)

The accompanying notes are an integral part of these condensed consolidated statements.

FLUENCE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
(U.S. Dollars in Thousands, except Shares)

	Class A Common Stock		Class B-1 Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Non-Controlling interest	Total stockholders' equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance March 31, 2025	130,451,861	$ 1	51,499,195	—	$ 615,996	$ (223,960)	$ 6,083	815,335	$ (9,950)	$ 110,893	$ 499,063
Net income	—	—	—	—	—	6,252	—	—	—	642	6,894
Stock-based compensation	193,151	—	—	—	6,367	—	—	—	—	—	6,367
Effect of remeasurement of non-controlling interest due to other share transactions	—	—	—	—	338	—	—	—	—	(338)	—
Proceeds from exercise of stock options	215,206	—	—	—	527	—	—	—	—	—	527
Gain on foreign currency translation, net of tax	—	—	—	—	—	—	9,611	—	—	3,794	13,405
Loss on cash flow hedges, net of tax	—	—	—	—	—	—	(3,881)	—	—	(1,531)	(5,412)
Balance June 30, 2025	130,860,218	$ 1	51,499,195	—	$ 623,228	$ (217,708)	$ 11,813	815,335	$ (9,950)	$ 113,460	$ 520,844

	Class A Common Stock		Class B-1 Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Non-Controlling interest	Total stockholders' equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance at September 30, 2024	129,421,797	$ 1	51,499,195	—	$ 634,851	$ (151,448)	$ (1,840)	786,048	$ (9,460)	$ 135,035	$ 607,139
Net loss	—	—	—	—	—	(66,260)	—	—	—	(25,791)	(92,051)
Stock-based compensation	746,481	—	—	—	15,459	—	—	—	—	—	15,459
Class A common stock withheld related to settlement of employee taxes for stock-based compensation awards	(29,287)	—	—	—	—	—	—	29,287	(490)	—	(490)
Effect of remeasurement of non-controlling interest due to other share transactions	—	—	—	—	1,186	—	—	—	—	(1,186)	—
Proceeds from exercise of stock options	721,227	—	—	—	1,767	—	—	—	—	—	1,767
Purchases of Capped Calls related to 2023 Convertible Senior Notes	—	—	—	—	(29,000)	—	—	—	—	—	(29,000)
Distribution to AES Grid Stability	—	—	—	—	(1,035)	—	—	—	—	—	(1,035)
Gain on foreign currency translation, net of tax	—	—	—	—	—	—	12,026	—	—	4,742	16,768
Gain on cash flow hedges, net of tax	—	—	—	—	—	—	1,627	—	—	660	2,287
Balance June 30, 2025	130,860,218	$ 1	51,499,195	—	$ 623,228	$ (217,708)	$ 11,813	815,335	$ (9,950)	$ 113,460	$ 520,844

	Class A Common Stock		Class B-1 Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Non-Controlling interest	Total stockholders' equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance at March 31, 2024	127,387,538	1	51,499,195	—	617,793	(200,076)	3,241	694,423	(7,885)	118,662	531,736
Net income	—	—	—	—	—	785	—	—	—	290	1,075
Stock-based compensation	463,449	—	—	—	6,140	—	—	—	—	—	6,140
Class A common stock withheld related to settlement of employee taxes for stock-based compensation awards	(68,522)	—	—	—	—	—	—	68,522	(1,155)	—	(1,155)
Effect of remeasurement of non-controlling interest due to other share transactions	—	—	—	—	1,266	—	—	—	—	(1,266)	—
Proceeds from exercise of stock options	1,111,117	—	—	—	2,724	—	—	—	—	—	2,724
Gain on foreign currency translation, net of tax							642			258	900
Loss on cash flow hedges, net of tax	—	—	—	—	—	—	(2,311)	—	—	(932)	(3,243)
Balance June 30, 2024	128,893,582	$ 1	51,499,195	$ —	$ 627,923	$ (199,291)	$ 1,572	762,945	$ (9,040)	$ 117,012	$ 538,177

	Class A Common Stock		Class B-1 Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Non-Controlling interest	Total stockholders' equity
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance at September 30, 2023	118,903,435	1	58,586,695	—	581,104	(174,164)	3,202	689,974	(7,797)	153,984	556,330
Net loss	—	—	—	—	—	(25,127)	—	—	—	(12,230)	(37,357)
Stock-based compensation	839,112	—	—	—	18,386	—	—	—	—	—	18,386
Effect of AES Grid Stability redemption of Class B-1 common stock for Class A common stock	7,087,500	—	(7,087,500)	—	21,428	—	—	—	—	(21,428)	—
Class A common stock withheld related to settlement of employee taxes for stock-based compensation awards	(72,971)	—	—	—	—	—	—	72,971	(1,243)	—	(1,243)
Effect of remeasurement of non-controlling interest due to other share transactions	354,134	—	—	—	2,633	—	—	—	—	(2,633)	—
Proceeds from exercise of stock options	1,782,372	—	—	—	4,372	—	—	—	—	—	4,372
Loss on foreign currency translation, net of tax	—	—	—	—	—	—	(289)	—	—	(139)	(428)
Loss on cash flow hedges, net of tax	—	—	—	—	—	—	(1,341)	—	—	(542)	(1,883)
Balance June 30, 2024	128,893,582	$ 1	51,499,195	$ —	$ 627,923	$ (199,291)	$ 1,572	762,945	$ (9,040)	$ 117,012	$ 538,177

The accompanying notes are an integral part of these condensed consolidated statements.

FLUENCE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(U.S. Dollars in Thousands)

	Nine Months Ended June 30,	
	2025	**2024**
Operating activities		
Net loss	$ (92,051)	$ (37,357)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	18,929	10,395
Amortization of debt issuance costs	3,072	1,420
Inventory provision	(811)	15,467
Stock-based compensation	15,459	18,386
Deferred income taxes	5,814	295
Changes in operating assets and liabilities:		
Trade receivables, net	64,761	4,811
Unbilled receivables	22,357	97,076
Receivables from related parties	204,158	(42,424)
Advances to suppliers	(38,415)	(46,999)
Inventory	(469,694)	(257,916)
Other current assets	20,524	(35,381)
Other non-current assets	(23,504)	(8,029)
Accounts payable	(180,842)	256,264
Deferred revenue with related parties	9,598	(73,564)
Deferred revenue	264,498	131,073
Accruals and provisions	(118,359)	37,139
Taxes payable	(56,187)	1,913
Other current liabilities	(65,617)	22,425
Other non-current liabilities	5,029	(25,838)
Net cash (used in) provided by operating activities	(411,281)	69,156
Investing activities		
Capital expenditures on software	(10,023)	(8,606)
Purchase of property and equipment	(10,024)	(4,838)
Net cash used in investing activities	(20,047)	(13,444)
Financing activities		
Class A common stock withheld related to settlement of employee taxes for stock-based compensation awards	(490)	(1,243)
Proceeds from issuance of 2030 Convertible Senior Notes	400,000	—
Purchases of Capped Calls related to 2030 Convertible Senior Notes	(29,000)	—
Payment for debt issuance costs	(12,132)	(5,004)
Payments for acquisitions	—	(3,892)
Proceeds from exercise of stock options	1,767	4,372
Distribution to AES Grid Stability	(1,035)	—
Principal payments on finance leases	(465)	—
Net cash provided by (used in) financing activities	358,645	(5,767)
Effect of exchange rate changes on cash and cash equivalents	13,865	632
Net (decrease) increase in cash, cash equivalents, and restricted cash	(58,818)	50,577
Cash, cash equivalents, and restricted cash as of the beginning of the period	518,706	462,731
Cash, cash equivalents, and restricted cash as of the end of the period	$ 459,888	$ 513,308
Supplemental Cash Flows Information		
Interest paid	$ 7,876	$ 2,178
Cash (refund) paid on income taxes	$ (1,429)	$ 1,719

The accompanying notes are an integral part of these condensed consolidated statements.

FLUENCE ENERGY, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Organization and Operations

Fluence Energy, Inc., a Delaware corporation (the “Company”), was formed on June 21, 2021. We conduct our business operations through Fluence Energy, LLC, and its direct and indirect subsidiaries. Fluence Energy, LLC was formed on June 30, 2017 as a joint venture between Siemens Industry, Inc. (“Siemens Industry”), an indirect subsidiary of Siemens AG (“Siemens”), and AES Grid Stability, LLC (“AES Grid Stability”), an indirect subsidiary of The AES Corporation (“AES”), and commenced operations on January 1, 2018. We refer to Siemens Industry and AES Grid Stability as the “Founders” in this Quarterly Report on Form 10-Q for the period ended June 30, 2025 (this “Report”).

Fluence Energy, Inc. is a holding company whose sole material assets are the limited liability company interests (the “LLC Interests”) in Fluence Energy, LLC. All of our business is conducted through Fluence Energy, LLC, together with its subsidiaries, and the financial results of Fluence Energy, LLC are consolidated in our financial statements. Fluence Energy, LLC is taxed as a partnership for federal income tax purposes and, as a result, its members, including Fluence Energy, Inc., pay income taxes with respect to their allocable shares of its net taxable income. As of June 30, 2025, Fluence Energy, LLC had subsidiaries operating in Germany, Australia, Philippines, Chile, the Netherlands, the United States, India, Singapore, United Kingdom, Canada, Taiwan, Ireland, Japan, and Switzerland. Except where the context clearly indicates otherwise, “Fluence,” “we,” “us,” “our,” or the “Company” refers to Fluence Energy, Inc. and all of its direct and indirect subsidiaries, including Fluence Energy, LLC.

The Company’s fiscal year begins on October 1 and ends on September 30. References to “fiscal year 2024” and “fiscal year 2025” refer to the twelve months ended September 30, 2024 and September 30, 2025, respectively.

The Company’s chief operating decision maker (“CODM”) is its Chief Executive Officer. The Company’s CODM reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Company has determined that it operates in one operating segment, which corresponds to one reportable segment.

Secondary Offering and AES Redemption

On December 8, 2023, AES Grid Stability, Siemens Pension-Trust e.V. (“Siemens Pension Trust”), and Qatar Holding LLC (“QHL” and together with AES Grid Stability and Siemens Pension Trust in such context, the “Selling Stockholders”) closed an underwritten public offering (the “Offering”) of 18,000,000 shares of Class A common stock, par value $0.00001 per share of the Company (the “Class A common stock”). The Company did not sell any of its shares of Class A common stock in the Offering and the Company did not receive any proceeds from the Offering.

In conjunction with the Offering, AES Grid Stability exercised its redemption right pursuant to the terms of the Third Amended and Restated Limited Liability Agreement of Fluence Energy, LLC, dated October 27, 2021, as may be amended from time to time with respect to 7,087,500 LLC Interests held by AES Grid Stability, together with the corresponding cancellation of an equivalent number of shares of Class B-1 common stock, par value $0.00001 per share of the Company (the “Class B-1 common stock”) (the “AES Redemption”). The Company elected to settle the AES Redemption through the issuance of 7,087,500 shares of the Company’s Class A common stock. The AES Redemption settled on December 8, 2023. All of the 7,087,500 shares issued to AES Grid Stability in connection with the AES Redemption were sold in the Offering.

The AES Redemption increased the beneficial ownership interest of the Company in Fluence Energy, LLC to 71.12% as of December 8, 2023. The impact of the change in ownership interest did not result in a change in control. The AES Redemption has been accounted for as an equity transaction and the carrying amount of the non-controlling interest has been adjusted. Refer to the condensed consolidated statements of changes in stockholders’ equity included herein for more information on the impacts of the redemption to stockholder’s equity.

2. Summary of Significant Accounting Policies and Estimates

Principles of Accounting and Consolidation

The accompanying condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and under the rules of the U.S. Securities and Exchange Commission (the “SEC”). The accompanying condensed consolidated financial statements include the accounts of Fluence Energy, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Non-Controlling Interest

As the sole managing member of Fluence Energy, LLC, Fluence Energy, Inc. operates and controls all the business and affairs of Fluence Energy, LLC and, through Fluence Energy, LLC and its direct and indirect subsidiaries, conducts the Company's business. Fluence Energy, LLC is a variable interest entity, of which Fluence Energy, Inc. beneficially owns an interest as of June 30, 2025. For accounting purposes, Fluence Energy, Inc. is considered the primary beneficiary and therefore consolidates the results of Fluence Energy, LLC and its direct and indirect subsidiaries. The table below summarizes the ownership structure at the end of each respective period:

	June 30, 2025	September 30, 2024
Controlling Interest Ownership	71.76 %	71.53 %
Non-Controlling Interest Ownership (AES)	28.24 %	28.47 %

Unaudited Interim Financial Information

The accompanying condensed consolidated financial statements as of June 30, 2025, and for the three and nine months ended June 30, 2025 and 2024 are unaudited. These financial statements should be read in conjunction with the Company's audited financial statements included in our Annual Report on Form 10-K for the year ended September 30, 2024 filed with the SEC on November 29, 2024 (the "2024 Annual Report"). In our opinion, such unaudited financial statements reflect all adjustments, including normal recurring items, that are necessary for the fair statement of the Company's financial position as of June 30, 2025, the results of its operations for the three and nine months ended June 30, 2025 and 2024, and its cash flows for the nine months ended June 30, 2025 and 2024. The financial data and other information disclosed in these notes related to the three and nine months ended June 30, 2025 and 2024 are also unaudited. The results for the three and nine months ended June 30, 2025 and 2024 are not necessarily indicative of results for the full year ending September 30, 2025 and 2024, any other interim periods, or any future year or period. The balance sheet as of September 30, 2024 included herein was derived from the audited financial statements as of that date. Certain disclosures have been condensed or omitted in the interim financial statements.

For a complete description of our significant accounting policies, refer to "Note 2 - Summary of Significant Accounting Policies and Estimates*"* in the audited consolidated financial statements included in our 2024 Annual Report.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying condensed consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. Items subject to such estimates and assumptions include: the carrying amount and estimated useful lives of long-lived assets; impairment of goodwill, intangible assets, and long-lived assets; valuation allowances for inventories; deferred tax assets; revenue recognized under the percentage-of-completion method; transaction price estimates with variable consideration; accrued bonuses; and various project-related provisions including, but not limited to, estimated losses and warranty obligations.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on-hand and highly liquid investments readily convertible to cash, with an original maturity of 90 days or less when purchased.

Cash restricted for use as a result of financing or other obligations is classified separately as restricted cash. If the purpose of restricted cash relates to acquiring a long-term asset, liquidating a long-term liability, or is otherwise unavailable for a period longer than one year from the balance sheet date, the restricted cash is included in "other non-current assets." Otherwise, restricted cash is included as a separate line item on the Company's condensed consolidated balance sheets.

The Company typically retains cash for operations within one or more bank accounts. Our U.S. bank accounts may hold cash in excess of the FDIC limit of $250,000. As a result, we are subject to concentration risk associated with the underlying custodial banks with whom deposits of cash and cash equivalents in excess of the FDIC limits are held. If access to any bank accounts is delayed or suspended indefinitely, it could have a material adverse impact on the Company's ability to meet its financial obligations required for operations.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash at the end of each respective period as shown in the Company's condensed consolidated balance sheets.

in thousands	June 30, 2025	September 30, 2024
Cash and cash equivalents	$ 436,322	$ 448,685
Restricted cash	23,566	46,089
Restricted cash included in "Other non-current assets"	—	23,932
Total cash, cash equivalents and restricted cash	$ 459,888	$ 518,706

Restricted cash at the end of each respective period consisted of the following:

in thousands	June 30, 2025	September 30, 2024
Collateral for credit card program	$ 6,335	$ 2,757
Collateral for outstanding bank guarantees	7,291	31,360
Collateral for surety program	9,866	9,551
Term deposits	74	2,421
Collateral for surety program included in "Other non-current assets"	—	23,932
Total restricted cash	$ 23,566	$ 70,021

Revenue and Cost Recognition

The Company's revenue recognition policy included herein is based on the application of Accounting Standards Codification - Revenue from Contracts with Customers (ASC 606). As of June 30, 2025, the Company's revenue was generated primarily from the sale of energy storage products and solutions, providing operational services, and the sale of digital applications and solutions.

Revenue from Energy Storage Products and Solutions: The Company enters into contracts with utility companies, developers, and commercial and industrial customers to design and build battery-based energy storage products and solutions. Our projects have a lead time from the date of contract execution to substantial completion, typically ranging from approximately twelve up to eighteen months. Generally, we must design the project, as each storage solution is customized depending on the customer's energy needs, procure the major equipment, obtain manufacturing slots from our contract manufacturers, coordinate the logistics, and assemble the solution prior to delivery and installation at our customer project sites. These actions must be completed timely to adhere to customer schedules and milestones. Depending on the scope of the project, we may be responsible for the installation of the equipment. After the equipment is installed, we are responsible for commissioning. The Company recognizes revenue over time as we transfer control of our product to the customer. This transfer of control to the customer occurs as the project is being built in accordance with the contract or is supported by clauses in the contracts that provide enforceable rights to payment of the transaction price associated with work performed to date for products that do not have an alternative use to the Company. Revenue is recognized using the percentage of completion ("POC") method based on actual cost incurred as a percentage of total estimated contract costs. Standard inventory materials (including batteries, enclosures, chillers, and others, which are assembled into "cubes") that could be used interchangeably on other projects are included in our measure of progress when they are integrated into, or restricted to a specific customer's project such that we no longer have the ability to direct their use for other purposes. Contract costs include all direct material and labor costs related to contract performance. As the cost of the assembled cubes comprise a substantial portion of the total estimated contract costs, our pattern of revenue recognition may vary materially from period to period. Our judgement on when costs should be included in the measure of progress has a material impact on revenue recognition.

Since the revenue recognition of these contracts depends on estimates, which are assessed continually during the term of the contract, recognized revenues and profit are subject to revisions as the contract progresses to completion. The cumulative effects of revisions of estimated total contract costs and revenues, together with any contract reserves which may be deemed appropriate, are recorded in the period in which they occur. Due to the uncertainties inherent in the estimation process, it is reasonably possible that these estimates will be revised in a different period.

The Company determines the transaction price based on the consideration expected to be received which includes estimates of variable consideration that are included in the transaction price in accordance with ASC 606. The transaction price identified is allocated to each distinct performance obligation to deliver a good or service based on the relative standalone selling prices. For our energy storage products and solutions, services, and digital applications contracts where there are multiple performance obligations in a single contract or we sign separate contracts at or near the same time with the same customer that meet the criteria for combination, the Company allocates the transaction price to the various obligations in the contract based on the relative standalone selling price. Standalone selling prices are estimated based on estimated costs plus margin taking into consideration pricing history and market factors. Generally, our revenues recognized are not sensitive to the Company's determination of standalone selling prices.

We assess any variable consideration using an expected value method which computes a weighted average amount based on a range of potential outcomes. Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is resolved. Estimating variable consideration requires certain estimates and assumptions, including whether and by how much a project will be delayed or if we will not meet certain performance specifications per the contract.

Our contracts generally provide our customers the right to liquidated damages ("LDs") against Fluence in the event specified milestones are not met on time or equipment is not delivered according to contract specifications. Liquidated damages are accounted for as variable consideration and the contract price is reduced by the expected LD amount when recognizing revenue. The existence and measurement of LDs may also be impacted by our judgments about the probability of favorable outcomes of customer disputes involving whether certain events qualify as force majeure or the reason for the events that caused project delays. Variable consideration for LDs is estimated using the expected value method. As of June 30, 2025 and September 30, 2024, transaction prices have been reduced to reflect estimates of variable consideration primarily related to LDs of $78.1 million and $78.4 million, respectively.

Fluence may incur additional costs to execute on the performance of a contract. When this happens, we typically attempt to recover these costs via a change order with the customer. When this fact pattern occurs, it can create a timing difference between when we have incurred the cost versus when we record the proportionate revenue, since costs are recognized immediately when incurred and the revenue is recognized based upon the transaction price, which is usually increased upon signing a respective change order with the customer.

When shipping and handling activities are performed after the customer obtains control of the product, we elect to account for shipping and handling as activities to fulfill the promise to transfer the product.

Revenue is recorded net of any taxes assessed on and collected from customers, which are remitted to the governmental authorities.

Customer payments are due upon meeting certain milestones as defined in the contract, which are generally consistent with contract-specific phases of a project.

Pre-contract costs with no future benefit are expensed in the period in which they are incurred.

Revenue from Services: The Company also enters into long-term service agreements with customers to provide operational services related to battery-based energy storage products and solutions. The services include extended warranty, maintenance, monitoring, and other services. The Company accounts for the services as separate performance obligations from the battery-based energy storage products and solutions. The extended warranty services are typically considered a separate performance obligation from the maintenance, monitoring, and other services. We typically recognize revenue ratably over the terms of the services using a straight-line recognition method. The Company believes using a time-based method to measure progress is appropriate as the performance obligations are satisfied evenly over the terms of services. Revenue is recognized for each of the performance obligations by dividing the allocated transaction price over the service period.

Some of the agreements also provide a commitment to perform augmentation activities which would typically be represented by installation of additional batteries, and other components as needed, to compensate for partially lost capacity due to degradation of batteries over time. The obligation to perform augmentation activities can take the form of either maintaining battery capacity above a given threshold for a stated term while others provide a fixed number of augmentations over a contract term. Augmentation arrangements that require us to maintain battery capacity above an established threshold for a given term may be considered service-type warranties depending on the contract terms. These represent a stand-ready obligation in which the customer benefits evenly overtime, of which we recognize revenue for these arrangements using a straight-line recognition method. Alternatively, augmentation arrangements that require us to perform a fixed number of augmentations over a contract term follow the percentage of completion revenue recognition method. Since these arrangements require a fixed number of augmentations we must perform, we use the pattern of cost as a proxy to identify when our obligations are satisfied and to recognize revenue.

Revenue from Digital Applications and Solutions: The Company provides access to proprietary cloud-based Software-as-a-Service ("SaaS") offerings through several market facing applications. These applications currently include Fluence Mosaic and Fluence Nispera. Fluence Mosaic is an intelligent bidding software for utility-scale storage and renewable assets, helping to enable customers to optimize asset trading in wholesale electricity markets. Fluence Mosaic is currently available in the NEM (Australia), CAISO (California), and ERCOT (Texas) markets. Fluence Nispera is an asset performance management software that helps customers monitor, analyze, forecast, and optimize the performance of their renewable energy assets. Fluence Nispera is an AI-driven utility-scale asset performance management platform that supports portfolios of energy storage, solar, and wind assets. Customers do not receive legal title or ownership of the applications as a result of these arrangements. The use of the Fluence Digital software applications is separately identifiable from other promises that the Company offers to its customers. As such, Fluence Digital applications are accounted for as separate performance obligations when combined with other Fluence products, solutions, and services. We consider access to the platform and related support services in a customer contract to be a series of distinct services which comprise a single performance obligation because they are substantially the same and have the same pattern of transfer. We recognize revenue over time using a straight-line recognition method.

Cost of Goods and Services: Cost of goods and services consists primarily of product costs, including purchased materials and supplies, as well as costs related to shipping, customer support, product warranty, and personnel. Personnel costs in cost of goods and services includes both direct labor costs as well as costs attributable to any individuals whose activities relate to the transformation of raw materials or component parts into finished goods or the transportation of materials to the customer. Cost of goods and services are recognized when services are performed or control of goods are transferred to the customers. Standard inventory materials that could be used interchangeably on other projects are included in cost of goods sold when they are integrated into or restricted to the production of a customer's project.

Deferred Revenue: Deferred revenue represents the excess billings to date over the amount of revenue recognized to date. The timing and the amount we bill our customers is based on achieving milestones as defined in the contract with the customers.

Loss Contracts: A contract becomes a loss contract when its estimated total costs are expected to exceed its total revenue. The Company accrues the full loss expected in the period a loss contract is identified in "Current liabilities — Accruals and provisions" and "Cost of goods and services" on the Company's condensed consolidated balance sheets and condensed consolidated statements of operations, respectively.

Inventory, Net

Inventory, net primarily consists of cubes, batteries and related equipment, enclosures, inverters, and spare parts which are used in ongoing battery storage projects for sale. Inventory is stated at the lower of cost or net realizable value with cost being determined by the specific identification method. Costs include cost of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The Company periodically reviews its inventory for potential obsolescence and write down of its inventory, as appropriate, to net realizable value based on its assessment of usefulness and marketability conditions.

Software Development Costs

Our software development costs primarily relate to three categories: (i) internal-use software development costs, (ii) hosting arrangements which are service contracts, and (iii) external-use software development costs. We capitalize costs incurred to purchase or develop software for internal use and software to be sold or leased externally.

Internal-use software development costs are capitalized during the application development stage in accordance with ASC 350-40, *Internal-Use Software*. These capitalized costs are reflected in “Intangible assets, net” on the condensed consolidated balance sheets and are amortized over the estimated useful life of the software. Our internal-use software relates to our (i) SaaS customer offerings and is amortized to “Cost of goods and services” and (ii) internally developed solutions and are amortized to “Depreciation and amortization.” The useful life of our internal-use software development costs is generally 3 to 5 years.

During the nine months ended June 30, 2025 and June 30, 2024, the Company capitalized $6.1 million and $7.0 million, respectively, of internal-use software.

Software development costs associated with hosting arrangements are capitalized during the application development stage. These are generally cloud-computing arrangements that are service contracts. The capitalized costs are reflected in “Other non-current assets” on the condensed consolidated balance sheets and are amortized to “General and administrative” once ready for intended use over the estimated useful life of the hosted software. The useful life of our software development costs associated with hosting arrangements is generally the period the Company expects to benefit from its right to access the hosted software plus consideration for any renewal or cancellation periods, which is generally 5 to 7 years.

During the nine months ended June 30, 2025 and June 30, 2024, the Company capitalized $12.2 million and $24.6 million, respectively, of software development costs related to hosting arrangements.

External-use software development costs developed to be sold or leased externally are capitalized upon the establishment of technological feasibility for a product in accordance with ASC 985-20, *Software to be Sold or Leased Externally*. These software development costs are reflected in “Intangible assets, net” on our condensed consolidated balance sheets and amortized to “Cost of goods and services” on a product basis by the greater of the straight-line method over the estimated economic life of the product or the ratio that current gross revenues for a product bear to the total current and anticipated future gross revenues for that product. The useful life of our external-use software development costs is generally 5 years.

During the nine months ended June 30, 2025 and June 30, 2024, the Company capitalized $3.4 million and $1.6 million, respectively, of external-use software to be sold.

Fair Value Measurements

The fair value of the Company’s financial assets and liabilities reflects management’s estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs and to minimize the use of unobservable inputs. The following fair value hierarchy, defined by ASC 820, *Fair Value Measurements*, is used to classify assets and liabilities based on the observable inputs and unobservable inputs used to value the assets and liabilities:

Level 1—Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2—Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 inputs include those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted prices, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

Level 3—Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value from the perspective of a market participant. The Company does not have significant recurring Level 3 fair value measurements.

The Company’s cash equivalents include cash on hand and highly liquid investments readily convertible to cash, with an original maturity of 90 days or less when purchased. Fair value of cash equivalents approximates the carrying amount. The carrying amounts of trade receivables, accounts payable, and short-term debt obligations such as current portion of borrowings against note receivable - pledged as collateral, approximate fair values due to their short maturities.

The fair value of the Company's foreign currency derivatives is measured on a recurring basis by comparing the contracted forward exchange rate to the current market exchange rate. The foreign currency derivatives are categorized as Level 2 in the fair value hierarchy, as the inputs to the derivative pricing model are generally observable and do not contain a high level of subjectivity. Refer to "Note 18 – Derivatives and Hedging" for details regarding the Company's derivatives and hedging activities.

The Company estimates the fair value of its 2030 Convertible Senior Notes (defined below) using commonly accepted valuation methodologies and market-based risk measurements that are directly observable, such as unadjusted quoted prices in markets that are not active (Level 2). Refer to "Note 12 – Convertible Senior Notes, Net" for further details.

Derivatives and Hedging

The Company records all derivatives at their gross fair values on the condensed consolidated balance sheets. The accounting for the gains or losses resulting from changes in the fair value of derivatives depends on the intended use of the derivatives, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting.

Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows or other types of forecasted transactions are considered cash flow hedges. The gains or losses from designated cash flow hedges are deferred in accumulated other comprehensive income and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The gains or losses will be presented in the same income statement line item as the earnings effect of the hedged item. The effectiveness of cash flow hedges is assessed at inception and quarterly thereafter. The change in fair value of the components excluded from the assessment of effectiveness are recognized in current period earnings. The changes in fair value of derivatives that are not designated for hedge accounting are recognized in current period earnings.

Convertible Senior Notes, Net

In December 2024, the Company issued $400.0 million aggregate principal amount of 2.25% convertible senior notes due 2030 (the "2030 Convertible Senior Notes"). The Company accounts for its 2030 Convertible Senior Notes as a liability in their entirety, measured at amortized cost. Debt issuance costs incurred in connection with the issuance of the Company's 2030 Convertible Senior Notes are reflected in the condensed consolidated balance sheets as a direct deduction from the carrying amount of the outstanding 2030 Convertible Senior Notes. These costs are amortized using the effective interest rate method over the terms of the 2030 Convertible Senior Notes and are included within interest expense on the condensed consolidated statements of operations.

In connection with the issuance of the 2030 Convertible Senior Notes, the Company entered into privately negotiated capped call transactions with certain counterparties. The capped call transactions are generally expected to offset the potential dilution to the Company's Class A common stock upon any conversion of the 2030 Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, with such reduction and/or offset subject to a cap. Refer to "Note 12 – Convertible Senior Notes, Net" for further details.

Recent Accounting Standards Adopted

The following table presents accounting standards adopted during the nine months ended June 30, 2025.

Standard	Description	Period of Adoption	Effect on the financial statements and other significant matters
Accounting Standards Update (“ASU”) No. 2024-04: Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments	ASU 2024-04 clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion.	As of the three months ended December 31, 2024.	The new standard was early adopted by the Company and applied for the Company’s 2030 Convertible Senior Notes. Refer to “Note 12 – Convertible Senior Notes, Net” for further details. The new standard did not have an impact on the condensed consolidated financial statements.

Recent Accounting Standards Not Yet Adopted

The following table presents accounting standards not yet adopted:

Standard	Description	Required date of adoption	Effect on the financial statements and other significant matters
ASU No. 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	ASU 2023-07 requires disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The update requires other specified segment items and amounts, such as depreciation, amortization, and depletion expense, to be disclosed under certain circumstances. The amendments in this update do not change or remove those disclosure requirements. The amendments in this update also do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments.	ASU 2023-07 is effective for the Company's annual report for fiscal year ending September 30, 2025.	The Company is evaluating the impact that this guidance will have on its disclosures. The Company only has one reportable segment.
ASU No. 2023-09: Income Taxes (Topic 740): Improvements to Income Tax Disclosures	ASU 2023-09 adopts certain amendments to improve the effectiveness of income tax disclosures, including jurisdictional information, by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation, and (2) income taxes paid, disaggregated by jurisdiction.	ASU 2023-09 is effective for the Company's annual report for fiscal year ending September 30, 2026.	The Company is evaluating the impact this guidance will have on income tax disclosures.
SEC Final Rule Release Nos. 33-11275; 34-99678: The Enhancement and Standardization of Climate-Related Disclosures for Investors	SEC Final Rule Release Nos. 33-11275; 34-99678 requires registrants to provide certain climate-related information in their registration statements and annual reports, including climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, certain disclosures related to severe weather events and other natural conditions will be required in registrants' annual reports.	SEC Final Rule Release Nos. 33-11275; 34-99678 is effective for the Company's annual report for fiscal year ending September 30, 2026.	The Company is evaluating the impact this guidance will have on climate-related disclosures.
ASU No. 2024-03: Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses	ASU 2024-03 requires disclosure of qualitative and quantitative information about certain costs and expenses in the notes to the financial statements on an interim and annual basis. ASU No. 2025-01: Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, was subsequently issued and clarified the effective date of ASU 2024-03.	ASU 2024-03 is effective for the Company's annual report for fiscal year ending September 30, 2028.	The Company is evaluating the impact this guidance will have on its disclosures.

3. Income (loss) per Share

As of June 30, 2025, the Company has two classes of common stock outstanding, Class A and Class B-1. Income (loss) per share is calculated and reported under the "two-class" method. The "two-class" method is an earnings allocation method under which income (loss) per share is calculated for each class of common stock considering both distributions declared or accumulated and participation rights in undistributed earnings as if all such loss had been distributed during the period.

Basic income (loss) per share of Class A common stock is computed by dividing net loss attributable to Class A common stockholders by the weighted average number of shares of Class A common stock outstanding during the period. Diluted income (loss) per share of Class A common stock is computed by adjusting the net income (loss) available to Class A common stockholders and the weighted average shares of Class A common stock outstanding to give effect to potentially dilutive securities. Shares of our Class B-1 common stock are not entitled to receive any distributions or dividends. When an LLC Interest of Fluence Energy, LLC is redeemed for cash or Class A common stock by a Founder who holds shares of our Class B-1 common stock, such Founder will be required to surrender a share of Class B-1 common stock, as the case may be, which we will cancel for no consideration. In the event of cash settlement, the Company is required to issue new shares of Class A common stock and use the proceeds from the sale of these newly-issued shares of Class A common stock to fully fund the cash settlement. Therefore, we did not include shares of our Class B-1 common stock in the computation of basic loss per share.

In periods in which we have a loss, diluted loss per share is equal to basic loss per share because the effect of potentially dilutive securities would be antidilutive.

The following table presents the potentially dilutive securities that were excluded from the computation of diluted income (loss) per share:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
Class B-1 common stock	—	—	51,499,195	51,499,195
Shares underlying the conversion option in the 2030 Convertible Senior Notes	18,738,880	—	18,738,880	—
Outstanding pre-IPO options issued pursuant to the 2020 Unit Option Plan	1,222,197	445,959	2,376,486	3,492,867
Outstanding phantom units	—	—	—	—
Outstanding restricted stock units ("RSUs")	2,431,460	1,076,589	2,595,352	1,887,787
Outstanding performance share units ("PSUs")	986,767	356,973	986,767	386,373
Outstanding non-qualified stock options ("NQSOs")	472,381	165,521	472,381	165,521
Outstanding restricted stock ("Nispera equity")	—	37,221	—	177,067

Basic and diluted income (loss) per share of Class A common stock for the three and nine months ended June 30, 2025 and 2024, respectively, have been computed as follows:

	Three Months Ended June 30,					
	2025			2024		
In thousands, except share and per share amounts	**Income**	**Shares**	**$ per Share**	**Income**	**Shares**	**$ per Share**
Basic income per Share						
Net income attributable to Fluence Energy, Inc.	$ 6,252	130,723,258	$ 0.05	$ 785	127,910,081	$ 0.01
Effect of Dilutive Securities						
Class B-1 common stock	(4,266)	51,499,195		16	51,499,195	
Pre-IPO options	—	1,197,408		—	3,694,977	
Phantom units	—	—		—	—	
RSUs	—	225,632		—	945,566	
PSUs	—	—		—	29,400	
NQSOs	—	—		—	—	
Nispera equity	—	—		—	139,846	
Diluted Income per Share						
Net income attributable to Fluence Energy, Inc	$ 1,986	183,645,493	$ 0.01	$ 801	184,219,065	$ —

	Nine Months Ended June 30,					
	2025			2024		
In thousands, except share and per share amounts	**Loss**	**Shares**	**$ per Share**	**Loss**	**Shares**	**$ per Share**
Basic Loss per Share						
Net loss attributable to Fluence Energy, Inc.	$ (66,260)	130,062,109	$ (0.51)	$ (25,127)	125,273,648	$ (0.20)
Diluted Loss per Share						
Net loss attributable to Fluence Energy, Inc.	$ (66,260)	130,062,109	$ (0.51)	$ (25,127)	125,273,648	$ (0.20)

4. Revenue from Contracts with Customers

Revenue is primarily derived from sales of our energy storage products and solutions. The following table presents the Company's revenue disaggregated by product or service type:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Revenue from energy storage products and solutions	$ 583,812	$ 472,569	$ 1,150,893	$ 1,443,786
Revenue from services	16,933	9,545	65,488	22,818
Revenue from digital applications and solutions	1,788	1,203	4,558	3,810
Total	$ 602,533	$ 483,317	$ 1,220,939	$ 1,470,414

The following table presents the Company's revenue disaggregated by geographical region. Revenues are attributed to regions based on location of customers:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Americas (North, Central, and South America)	$ 275,328	$ 202,971	$ 598,965	$ 995,963
APAC (Asia Pacific)	93,368	104,330	198,526	244,409
EMEA (Europe, Middle-East, and Africa)	233,837	176,016	423,448	230,042
Total	$ 602,533	$ 483,317	$ 1,220,939	$ 1,470,414

Customer Concentration

For the nine months ended June 30, 2025 and 2024, the Company's top two customers, in the aggregate, accounted for approximately 40% and 59% of total revenue, respectively.

Deferred Revenue

Deferred revenue from related parties is included in the Company's condensed consolidated balance sheets. The following table provides information about deferred revenue from contracts with customers:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Deferred revenue, beginning of period	$ 648,090	$ 398,639	$ 274,499	$ 273,164
Additions	236,057	192,851	487,626	335,808
Revenue recognized related to amounts that were included in beginning balance of deferred revenue	(338,925)	(181,878)	(216,903)	(199,360)
Deferred revenue end of period	$ 545,222	$ 409,612	$ 545,222	$ 409,612

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Deferred revenue from related parties, beginning of period	$ 34,774	$ 46,694	$ 38,162	$ 110,274
Additions	17,839	19,052	37,899	35,980
Revenue recognized related to amounts that were included in beginning balance of deferred revenue	(4,823)	(29,004)	(28,271)	(109,512)
Deferred revenue from related parties, end of period	$ 47,790	$ 36,742	$ 47,790	$ 36,742

Remaining Performance Obligations

The Company's remaining performance obligations ("backlog") represent the unrecognized revenue value of its contractual commitments, which include deferred revenue and amounts that will be billed and recognized as revenue in future periods. The Company's backlog may vary significantly each reporting period based on the timing of major new contractual commitments and the backlog may fluctuate with currency movements. In addition, under certain circumstances, the Company's customers have the right to terminate contracts or defer the timing of its services and their payments to the Company.

As of June 30, 2025, the Company had $4.9 billion of remaining performance obligations related to contractual commitments, of which we expect to recognize in revenue approximately 49% in the next 12 months, with the remainder recognized in revenue in periods thereafter.

5. Inventory, Net

Inventory consisted of the following:

In thousands	June 30, 2025			September 30, 2024		
	Cost	Provision	Net	Cost	Provision	Net
Cubes, batteries, and other equipment	$ 665,176	$ (22,696)	$ 642,480	$ 200,171	$ (25,012)	$ 175,159
Spare parts	12,222	(401)	11,821	7,572	(130)	7,442
Total	$ 677,398	$ (23,097)	$ 654,301	$ 207,743	$ (25,142)	$ 182,601

6. Other Current Assets

Other current assets consisted of the following amounts:

In thousands	June 30, 2025	September 30, 2024
Taxes recoverable	$ 20,638	$ 23,962
Prepaid expenses	24,006	10,370
Prepaid insurance	3,446	2,069
Current portion of recoverable warranty costs from suppliers	5,691	5,013
Other	5,377	5,105
Total	$ 59,158	$ 46,519

7. Intangible Assets, Net

Intangible assets are stated at amortized cost and consisted of the following:

In thousands	June 30, 2025			September 30, 2024		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Patents and licenses	$ 28,862	$ (14,423)	$ 14,439	$ 28,765	$ (12,950)	$ 15,815
Developed technology	32,013	(10,252)	21,761	30,842	(7,966)	22,876
Customer relationship	4,839	(2,828)	2,011	4,624	(2,104)	2,520
Trade names/Trademarks	5,382	(4,480)	902	5,329	(3,984)	1,345
Capitalized internal-use software	21,902	(6,415)	15,487	15,562	(3,010)	12,552
Capitalized software to be sold	8,977	(1,304)	7,673	5,584	(690)	4,894
Total	$ 101,975	$ (39,702)	$ 62,273	$ 90,706	$ (30,704)	$ 60,002

Intangible assets are amortized over their estimated useful lives on a straight-line basis. Total amortization expense for the three months ended June 30, 2025 and 2024 was $3.8 million and $2.2 million, respectively. The amortization expense for the three months ended June 30, 2025 and 2024 included $1.5 million and $0.8 million for capitalized software, respectively. The amortization expense for the nine months ended June 30, 2025 and 2024 was $9.0 million and $6.2 million, respectively. The amortization expense for the nine months ended June 30, 2025 and 2024 included $4.0 million and $1.8 million for capitalized software, respectively.

8. Goodwill

No impairment was recognized for the nine months ended June 30, 2025 or 2024. The following table presents the goodwill activity for the nine months ended June 30, 2025 and 2024:

	June 30,	
In thousands	2025	2024
Goodwill, Beginning of the period	$ 27,482	$ 26,020
Foreign currency adjustment	1,183	317
Goodwill, End of the period	$ 28,665	$ 26,337

9. Leases

The Company's right-of-use assets and lease liabilities primarily relate to offices, warehouses, and production lines. The Company's leases generally have remaining lease terms of one year to ten years. Certain of the Company's leases contain renewal, extension, or termination options. The Company assesses each option on an individual basis and will only include options reasonably certain of exercise in the lease term. The Company generally considers the base term to be the term provided in the contract. None of the Company's operating lease agreements contain material options to purchase the leased property, material residual value guarantees, or material restrictions or covenants.

On May 31, 2025, the Company entered into a finance lease agreement for the U.S. battery module production line in Utah. The production line has a useful life of three years. The lease is classified as a finance lease under ASC 842.

The amounts of assets and liabilities and other information for the Company's operating and finance leases are as follows:

In thousands	Balance Sheet Caption	June 30, 2025	September 30, 2024
Right-of-use assets:			
Operating leases	Other non-current assets	$ 12,918	$ 8,186
Finance leases	Property and equipment, net	24,119	—
Total right-of-use assets		37,037	8,186
Lease liabilities:			
Operating leases	Other current liabilities	$ 7,083	$ 3,064
	Other non-current liabilities	6,689	5,492
Finance leases	Other current liabilities	5,389	—
	Other non-current liabilities	—	—
Total lease liabilities		$ 19,161	$ 8,556

10. Accruals and Provisions

Accruals mainly represent milestones not yet invoiced for inventory such as, but not limited to, batteries, cubes, and inverters. Generally, according to master supply agreements between the Company and suppliers of our inventory, vendor invoices are issued according to contracted billing schedules with certain milestones invoiced after delivery, upon full installation and commissioning of the equipment at substantial completion, and final completion project stages. Accruals and provisions consisted of the following:

In thousands	June 30, 2025	September 30, 2024
Accruals	$ 184,877	$ 287,566
Accruals with related parties	6,737	6,099
Accruals for software development costs	—	10,903
Provisions for expected project losses	12,365	14,652
Current portion of warranty accrual	17,529	19,091
Total	$ 221,508	$ 338,311

11. Debt

Revolving Credit Facility

On November 1, 2021, the Company entered into a credit agreement for a revolving credit facility (the “Revolver”), by and among Fluence Energy, LLC, as borrower, Fluence Energy, Inc., as parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent and collateral agent (as amended, the “Revolving Credit Agreement”). The Revolver was secured by a (i) first priority pledge of the equity securities of Fluence Energy, LLC and its subsidiaries and (ii) first priority security interests in, and mortgages on, substantially all tangible and intangible personal property and material fee-owned real property of Fluence Energy, LLC, the parent guarantor, and each subsidiary guarantor party thereto, in each case, subject to customary exceptions and limitations. The aggregate amount of commitments was $200.0 million. The Revolver was originally scheduled to mature on November 1, 2025. The Revolving Credit Agreement was terminated effective November 22, 2023, in conjunction with the entry into the ABL Credit Agreement (as further described below).

The Revolving Credit Agreement provided that borrowings under the Revolver bore interest at (i) with respect to loans comprising a Term Benchmark Borrowing, the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, or the AUD Rate, as applicable, plus 3.0%, (ii) with respect to loans comprising an ABR Borrowing, the Alternate Base Rate plus 2.0%, or (iii) with respect to each RFR Loan, the applicable Daily Simple RFR plus 3.1193%, in each instance subject to customary benchmark replacement provisions. Fluence Energy, LLC was required to pay to the lenders a commitment fee of 0.55% per annum on the average daily unused portion of the revolving commitments through maturity. The Revolver also provided for up to $200.0 million in letter of credit issuances, which required customary issuance and administration fees, as well as a fronting fee payable to each issuer thereof and a letter of credit participation fee of 2.75% per annum payable to the lenders. Capitalized terms used in this paragraph that are not otherwise defined were defined in the Revolving Credit Agreement.

Asset-Based Lending Facility

On November 22, 2023, the Company entered into an asset-based syndicated credit agreement (the “ABL Credit Agreement”) by and among Fluence Energy, LLC, as parent borrower, Fluence Energy, Inc., as parent, the other borrowers party thereto, the other guarantors party thereto, the lenders party thereto (the “ABL Lenders”), and Barclays Bank PLC, as administrative agent, which was amended by the Master Assignment and Assumption and Issuing Bank Joinder, effective December 15, 2023, Amendment No. 1, dated April 8, 2024, and Amendment No. 2, dated May 8, 2024 (“Amendment No. 2”), which provided for revolving commitments in an aggregate principal amount of $400.0 million (the "ABL Facility"). The ABL Facility was secured by (i) a first priority pledge of Fluence Energy, Inc.’s equity interests in Fluence Energy, LLC and (ii) first priority security interests in, and mortgages on, substantially all tangible and intangible personal property and material fee-owned real property of Fluence Energy, Inc., Fluence Energy, LLC, and Fluence Energy Global Production Operation, LLC, in each case, subject to customary exceptions and limitations. Borrowings under the ABL Facility were scheduled to mature, and lending commitments thereunder would terminate, on November 22, 2027.

Borrowing availability under the ABL Facility was determined by a borrowing base calculation based on specified percentages of U.S. eligible inventory, net orderly liquidation value of most recent inventory appraisal, and U.S. eligible in-transit inventory, as well as potential borrowing base qualified cash, less the aggregate amount of any reserves.

The ABL Credit Agreement set forth that (i) loans comprising each ABR Borrowing bore interest at the Alternate Base Rate plus an additional margin ranging from 1.00% to 1.50%, (ii) loans comprising each Canadian Prime Loan Borrowing bore interest at the Canadian Prime Rate plus an additional margin ranging from 1.00% to 1.50%, and (iii) the loans comprising each Term Benchmark Borrowing bore interest at the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate or Adjusted Term CORRA, as applicable, plus an additional margin ranging from 2.00% to 2.50%, in each instance subject to customary benchmark replacement provisions. Fluence Energy, LLC was required to pay to the ABL Lenders a commitment fee on the average daily unused portion of the commitments through maturity, which accrued at the rate of (a) until the last day of the first full calendar quarter following the closing of the ABL Facility, 0.450% per annum, and (b) thereafter, 0.450% per annum if average revolving loan utilization was less than or equal to 50% and 0.375% per annum if average revolving loan utilization was greater than 50%. The ABL Facility also provided for a letter of credit sublimit in the amount of $200.0 million, if certain conditions were met. Each letter of credit issuance was conditioned upon, among other conditions, the payment of certain customary issuance and administration fees, as well as payment of a fronting fee to each issuer thereof and payment of a letter of credit participation fee payable to the ABL Lenders. Capitalized terms used in this paragraph that are not otherwise defined are defined in the ABL Credit Agreement.

The ABL Credit Agreement contained customary covenants for this type of financing, including, but not limited to, covenants that restricted our ability to incur indebtedness; incur liens; sell, transfer, or dispose of property and assets; make investments or acquisitions; pay dividends, make distributions or other restricted payments; and engage in affiliate transactions. As of the time of our entry into Amendment No. 3 to the ABL Credit Agreement (as discussed below), there were no outstanding borrowings under the ABL Facility or letters of credit outstanding.

2024 Revolver

On August 6, 2024, Fluence Energy, Inc. entered into Amendment Number Three ("Amendment No. 3") to that certain ABL Credit Agreement by and among Fluence Energy, LLC, as parent borrower, the Company, as parent, the other borrowers party thereto, the other guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent (as successor to Barclays Bank PLC) (such agreement, as so amended, the "2024 Credit Agreement") in order to (i) convert the existing ABL Facility to a senior secured cash flow revolving credit facility in an initial aggregate principal amount of up to $500.0 million (the "2024 Revolver"), (ii) replace Barclays Bank PLC as administrative agent under the 2024 Credit Agreement with Citibank, N.A., and (iii) make certain other modifications to the 2024 Credit Agreement as set forth therein. Capitalized terms used in this subsection that are not otherwise defined are defined in the 2024 Credit Agreement.

The 2024 Revolver is secured by (i) a first priority pledge of the Company's equity interests in Fluence Energy, LLC and Fluence Energy Global Production Operation, LLC, (ii) first priority security interests in substantially all tangible and intangible personal property of the Company, Fluence Energy, LLC, Fluence Energy Global Production Operation, LLC and certain of its foreign subsidiaries, in each case, subject to customary exceptions and limitations, and (iii) a pledge of the Company's equity interests in certain of its foreign subsidiaries and security interests in certain assets of such foreign subsidiaries.

The 2024 Credit Agreement sets forth that (i) loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus 2.00%, (ii) loans comprising each Term Benchmark Borrowing shall bear interest at the Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable, plus 3.00%, and (iii) the loans comprising each RFR Borrowing shall bear interest at the Daily Simple RFR plus 3.00%, in each instance subject to customary benchmark replacement provisions including, but not limited to, alternative benchmark rates, customary spread adjustments with respect to borrowings in foreign currencies, and benchmark replacement conforming changes. Fluence Energy, LLC is required to pay to the lenders a commitment fee on the average daily unused portion of the commitments through maturity, which shall accrue at the rate of 0.50% per annum. The 2024 Credit Agreement provides for a cash draw sublimit of $150.0 million as well as a letter of credit sublimit in the amount of $500.0 million if certain conditions are met.

The 2024 Credit Agreement contains customary covenants for this type of financing, including, but not limited to, covenants that restrict our and certain of our subsidiaries’ ability to: incur indebtedness; incur liens; sell, transfer, or dispose of property and assets; make investments or acquisitions; pay dividends, make distributions or other restricted payments; and engage in affiliate transactions. The 2024 Credit Agreement limits our ability to make certain payments, including dividends and distributions on Fluence Energy, LLC's equity, the Company's equity and other restricted payments. Under the terms of the 2024 Credit Agreement, Fluence Energy, LLC and its subsidiaries are currently limited in their ability to pay cash dividends to, lend to, or make other investments in the Company, subject to certain exceptions. In addition, we are required to maintain (i) through December 31, 2025, Total Liquidity of no less than $150,000,000, (ii) from January 1, 2026 and thereafter, Total Liquidity of no less than $100,000,000 or a Consolidated Leverage Ratio as of the last day of any Measurement Period not to exceed 3.50:1.00, and (iii) certain other financial requirements at each Guarantor Coverage Test Date. Such covenants are tested on a quarterly basis and upon the occurrence of other certain restricted payments, the incurrence of indebtedness, certain dispositions, and other specified transactions. As of June 30, 2025, we were in compliance with all such covenants.

The 2024 Credit Agreement contains customary events of default for this type of financing. If an event of default occurs with respect to a borrower, the lenders will be able to, among other things, terminate the commitments immediately, cash collateralize any outstanding letters of credit, declare any loans outstanding to be due and payable in whole or in part, and exercise other rights and remedies. The maturity date and the date of termination of lending commitments under the 2024 Credit Agreement both remain unchanged at November 22, 2027. As of June 30, 2025, there are no cash borrowings under the 2024 Revolver, and there are $157.5 million letters of credit outstanding under the 2024 Revolver, with remaining availability of $342.5 million, net of letters of credit issued.

Borrowings Against Note Receivable - Pledged as Collateral

In December 2022, the Company transferred $24.3 million in customer receivables to Standard Chartered Bank ("SCB") in the Philippines for proceeds of $21.1 million. The receivables all related to the Company's largest customer in that country. The underlying receivables transferred were previously aggregated into a long term note, with interest, and a maturity date of September 30, 2024. In April 2023, the Company aggregated into an additional long term note and transferred an additional $30.9 million in receivables with the same customer to SCB for proceeds of $27.0 million, upon substantially similar terms as the December 2022 transfer and with a maturity date of December 27, 2024. These transactions were treated as secured borrowings as the Company did not transfer the entire note receivables due from the customer to SCB. The Company continued to receive quarterly interest income from the customer, while SCB was responsible for collecting payments on the principal balances which represented the initial receivable balances from the customer. The Company had no other continuing involvement or exposure related to the underlying receivables. On September 16, 2024 and December 27, 2024, $24.3 and $30.9 million of receivables, respectively, were paid in full, resulting in the release of the corresponding notes and borrowings. For the nine months ended June 30, 2025, the Company recorded net interest income of $0.0 million, which represents the aggregate of $0.5 million in interest income and $0.5 million in interest expense recorded in "Interest income, net." For the nine months ended June 30, 2024, the Company recorded net interest income of $0.2 million, which represents the aggregate of $3.5 million in interest income and $3.3 million in interest expense recorded in "Interest income, net."

12. Convertible Senior Notes, Net

2030 Convertible Senior Notes

In December 2024, the Company issued $400.0 million aggregate principal amount of 2.25% convertible senior notes due 2030. These 2030 Convertible Senior Notes were issued pursuant to, and are governed by, an indenture, dated as of December 12, 2024, between the Company and UMB Bank, National Association, as trustee (the "Indenture"). The net proceeds from the issuance of the 2030 Convertible Senior Notes were $389.4 million, net of $10.6 million of debt issuance costs.

The 2030 Convertible Senior Notes are senior unsecured obligations of the Company and accrue interest at a rate of 2.25% per year, payable semi-annually in arrears, on June 15 and December 15 of each year, beginning on June 15, 2025. The 2030 Convertible Senior Notes will mature on June 15, 2030, unless earlier converted, redeemed, or repurchased. The 2030 Convertible Senior Notes have an initial conversion rate of 46.8472 shares of the Company's Class A common stock per $1,000 principal amount of 2030 Convertible Senior Notes, which represents an initial conversion price of approximately $21.35 per share of the Company's Class A common stock. The conversion rate is subject to customary adjustments upon the occurrence of certain events but will not be adjusted for any accrued and unpaid interest. If a "make-whole fundamental change" (as defined in the Indenture) occurs, then the Company will in certain circumstances increase the conversion rate for a specified period of time.

Prior to the close of business on the business day immediately preceding March 15, 2030, holders of the 2030 Convertible Senior Notes will have the right to convert their 2030 Convertible Senior Notes only upon satisfaction of one or more of the following conditions:

(1) during any calendar quarter (and only during such calendar quarter) commencing after the calendar quarter ending on March 31, 2025, if the last reported sale price per share of the Company's Class A common stock exceeds 130% of the conversion price for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;

(2) during the five consecutive business days immediately after any 10 consecutive trading day period (the "measurement period") if the 'trading price' per $1,000 principal amount of the 2030 Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of the Company's Class A common stock on such trading day and the conversion rate on such trading day;

(3) upon the occurrence of specified corporate events, as set forth in the Indenture; or

(4) if the Company calls any or all the 2030 Convertible Senior Notes for redemption, but only with respect to such 2030 Convertible Senior Notes called for redemption.

On or after March 15, 2030, holders may convert their 2030 Convertible Senior Notes at any time until the close of business on the second scheduled trading day immediately before June 15, 2030.

Upon conversion, the Company may satisfy its conversion obligation by paying or delivering, as the case may be, cash, shares of the Company's Class A common stock, or a combination of both, at the Company's election, in the manner and subject to the terms and conditions provided in the Indenture.

The 2030 Convertible Senior Notes will be redeemable, in whole or in part (subject to the partial redemption limitation described in the Indenture), at our option at any time, and from time to time, on or after December 20, 2027 and on or before the 50th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2030 Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if (i) the 2030 Convertible Senior Notes are "freely tradable" (as defined in the Indenture), and all accrued and unpaid additional interest, if any, has been paid in full, as of the date we send the related redemption notice; and (ii) the last reported sale price per share of our Class A common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the redemption notice for such redemption; and (2) the trading day immediately before the date the Company sends such redemption notice. In addition, calling any 2030 Convertible Senior Note for redemption will constitute a make-whole fundamental change with respect to that 2030 Convertible Senior Note, in which case the conversion rate applicable to the conversion of that 2030 Convertible Senior Note will be increased in certain circumstances if it is converted after it is called for redemption.

No sinking fund is required to be provided for the 2030 Convertible Senior Notes. If a "fundamental change" (as defined in the Indenture) occurs prior to the maturity date of the 2030 Convertible Senior Notes, holders may require the Company to repurchase all or a portion of their 2030 Convertible Senior Notes at a cash repurchase price equal to 100% of the principal amount of the 2030 Convertible Senior Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the "fundamental change repurchase date" (as defined in the Indenture).

The 2030 Convertible Senior Notes are accounted for as a liability in their entirety, measured at amortized cost. The debt issuance costs for the 2030 Convertible Senior Notes are amortized to interest expense using the effective interest method over the term of the 2030 Convertible Senior Notes, with an effective interest rate of 2.80%.

The following table presents the net carrying value and fair value of the 2030 Convertible Senior Notes as of June 30, 2025:

				Fair Value	
In thousands	Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount	Amount	Leveling
2030 Convertible Senior Notes	$ 400,000	$ (9,644)	$ 390,356	$ 261,648	Level 2

The fair value was determined based on the quoted prices of the 2030 Convertible Senior Notes in an inactive market on the last traded day of the quarter ended June 30, 2025 and has been classified as Level 2 in the fair value hierarchy.

The following table presents the interest expense recognized related to the 2030 Convertible Senior Notes:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Coupon interest	$ 2,225	$ —	$ 4,950	$ —
Amortization of debt issuance costs	444	—	978	—
Total	$ 2,669	$ —	$ 5,928	$ —

Capped Call Transactions

In connection with the 2030 Convertible Senior Notes, the Company has entered into privately negotiated capped call transactions with certain financial institutions pursuant to capped call confirmations (collectively the "Capped Calls"). The premiums paid for the purchases of the Capped Calls were $29.0 million. The Capped Calls have an initial strike price of approximately $21.35 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2030 Convertible Senior Notes. The Capped Calls have an initial cap price of $28.74 per share, subject to certain adjustments substantially similar to those applicable to the corresponding 2030 Convertible Senior Notes. The Capped Calls cover, subject to anti-dilution adjustments, approximately 18.7 million shares of the Company's Class A common stock.

The Capped Calls are generally expected to offset the potential dilution to the Company's Class A common stock upon any conversion of the 2030 Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of any converted 2030 Convertible Senior Notes, with such reduction and/or offset subject to a cap.

The Capped Calls are separate transactions and are not part of the terms of the 2030 Convertible Senior Notes. As the Capped Calls qualify for a scope exception from derivative accounting for instruments that are both indexed to the Company's own stock and classified in stockholders' equity, the Capped Calls are not accounted for as derivatives and the premiums paid for the purchases of the Capped Calls were recorded as a reduction to the additional paid-in capital.

13. Income Taxes

The Company's provision for income taxes is based on the estimated annual effective tax rate, plus discrete items.

Income tax expense was $4.6 million and $4.2 million for the three months ended June 30, 2025 and 2024, respectively. The effective tax rate for the three months ended June 30, 2025 and 2024 was 39.9% and 79.7%, respectively. For the three months ended June 30, 2025, the Company's effective tax rate differs from the U.S. statutory tax rate of 21% primarily due to flow-through losses attributable to the Founders and valuation allowances.

Income tax expense was $0.9 million and $1.3 million for the nine months ended June 30, 2025 and 2024, respectively. The effective tax rate for the nine months ended June 30, 2025 and 2024 was (1.0)% and (3.7)%, respectively. For the nine months ended June 30, 2025, the Company's effective tax rate differs from the U.S. statutory tax rate of 21% primarily due to valuation allowances.

As of June 30, 2025 and September 30, 2024, the Company does not believe it has any significant uncertain tax positions and therefore, has not recorded any unrecognized tax benefits.

The Company evaluates the realizability of its deferred tax assets on a quarterly basis and establishes valuation allowances when it is more-likely-than-not that all or a portion of a deferred tax asset may not be realized. As of June 30, 2025 and September 30, 2024, the Company had recorded a full valuation allowance against deferred tax assets on Fluence Energy, Inc. primarily related to its investment in Fluence Energy, LLC, as well as on certain foreign subsidiaries based on the weight of available evidence, including cumulative losses. In the event that the valuation allowance related to tax benefits associated with the Tax Receivable Agreement, dated October 27, 2021, by and among Fluence Energy, Inc., Fluence Energy, LLC, Siemens Industry, Inc. and AES Grid Stability, LLC (the "Tax Receivable Agreement"), is released in a future period, a Tax Receivable Agreement liability will be recorded based on the amounts probable and reasonably estimable in accordance with ASC 450.

The Organization for Economic Cooperation and Development's ("OECD") Pillar II Initiative introduced a 15% global minimum tax for certain multinational groups exceeding minimum annual global revenue thresholds. Some countries in which the Company operates have enacted legislation adopting the minimum tax effective January 1, 2024. To date, the Company has determined that an immaterial liability will be incurred as a result of the Pillar II provisions. Certain tax jurisdictions either did not have Pillar II enacted for the current fiscal year or the Company has satisfied one or more of the safe harbor tests to prevent any minimum tax under Pillar II. The Company will continue to monitor its jurisdictions for any changes and include appropriate minimum tax throughout the fiscal year.

14. Commitments and Contingencies

Guarantees, Commitments, Letters of Credit, and Surety Bonds

As of June 30, 2025, the Company had outstanding bank guarantees, parent company guarantees, letters of credit, and surety bonds issued as performance security arrangements associated with a number of our customer projects. In addition, we have a limited number of parent company guarantees and letters of credit issued as payment security to certain vendors. These contractual commitments are all accounted for off-balance sheet. In the event that we fail to perform under a project backstopped by such credit support, the customer or vendor, respectively, may demand performance and/or payment, as applicable, pursuant to the terms of the project contract or vendor contract and applicable credit support instrument from the Company, surety, or bank, as the case may be. Our relationship with our sureties is such that we will indemnify the sureties for any damages and expenses they incur in connection with any of the bonds they issue on our behalf and we may be required to post collateral to support the bonds. With respect to letters of credit, in the event of non-performance under a contract, direct obligations to repay the banks may arise. The Company expects that its performance and payment obligations secured by these bank guarantees, parent company guarantees, letters of credit, and surety bonds will generally be completed in the ordinary course of business and in accordance with the applicable contractual terms.

The following table summarizes our contingent contractual obligations as of June 30, 2025. Amounts presented in the following table represent the Company's current undiscounted exposure to guarantees, commitments, letters of credit, and surety bonds and the range of maximum undiscounted potential exposure. The maximum exposure is not reduced by the amounts, if any, that could be recovered under the recourse or collateralization provisions in the guarantees, commitments, letters of credit, and surety bonds.

	Amount *(in $ millions)*	**Number of Agreements**	**Maximum Exposure Range for Each Agreement** *(in $ millions)*
Guarantees and commitments	$3,851	93	$0.1 - 399.6
Letters of credit under bilateral credit facilities	5	3	0 - 3
Letters of credit under 2024 Revolver	158	34	0 - 40
Surety bonds	554	58	0 - 78.7
Total	$4,568	188	

Purchase Commitments

The Company has commitments for minimum volumes or spend under master supply agreements with our vendors. The majority of the commitments are for purchases of battery cells and modules. Liquidated damages apply if the minimum purchase volumes or spend are not met. The Company currently expects to meet the minimum committed volumes of purchases and spend. The following table presents our future minimum purchase commitments by fiscal year, primarily for battery cells and modules, and liquidated damages, if the minimum purchase volumes or spend are not met, as of June 30, 2025:

in thousands	**Purchase Commitment**	**Liquidated Damages**
2025	19,639	—
2026	740,595	15,693
2027	761,120	16,200
2028	761,120	16,200
2029 and thereafter	1,501,120	$ 32,400
Total	$ 3,783,594	$ 80,493

The Company makes advance payments as capacity guarantees pursuant to purchase agreements with our suppliers. As of June 30, 2025, $105.3 million is recorded within “Advances to suppliers” on the condensed consolidated balance sheets.

Product Performance Guarantees

Typical energy storage products and solutions contracts and long-term service agreements contain provisions for performance liquidated damages payments if the energy storage solution fails to meet the guaranteed performance thresholds at completion of the project or throughout the service agreement period.

Warranties

The Company is party to both assurance and service-type warranties for various lengths of time. The Company recognizes revenue for service-type warranties, which are referred to as extended warranties, using a straight-line approach over the service period.

The Company provides a limited warranty related to the successful operation of battery-based energy storage solutions, apart from the service-type warranties described above and are normally provided for a limited period of time from one to five years, after the commercial operation date or substantial completion depending on the contract terms. The warranties are considered assurance-type warranties which provide a guarantee of quality of the products. For assurance-type warranties, the Company records an estimate of future warranty cost over the period of construction, consistent with transfer of control and revenue recognition on the equipment or battery-based energy storage solutions. Furthermore, we accrue the estimated liability cost of specific reserves or recalls when they are probable and estimable if identified. Warranty expense is recorded as a component of “Costs of goods and services” in the Company’s condensed consolidated statements of operations.

The Company’s assurance-type warranties are often backed by supplier covered warranties for major original equipment manufacturers (OEMs) such as batteries and inverters, which is included in our estimated warranty liability. The Company records a corresponding asset for a portion of the warranty cost to be covered by the supplier warranty due to the fact that the contracts are enforceable, the suppliers are financially viable, and we have a history of satisfying claims with our suppliers. The asset is recorded within “Other current assets” and “Other non-current assets” on the condensed consolidated balance sheets.

As of June 30, 2025 and September 30, 2024, the Company accrued the below estimated warranty liabilities, which the table reflects nine months activity and twelve months activity, respectively:

In thousands	June 30, 2025	September 30, 2024
Warranty balance, beginning	$ 40,242	$ 26,909
Warranties issued and assumed in period	12,457	19,554
Change in estimates	—	(1,692)
Net changes in liability for warranty expirations, costs incurred, and foreign exchange impact	(11,382)	(4,529)
Warranty balance, ending	$ 41,317	$ 40,242
Less: Recoverable warranty costs from suppliers	14,878	12,704
Warranty balance, net of recoverable warranty costs from suppliers, at end of period	$ 26,439	$ 27,538

The key inputs and assumptions used by us to estimate our warranty liability are: (1) the number of units expected to fail or be replaced over time (i.e., failure rate); and (2) the per unit cost of replacement, including shipping, labor costs, and costs for equipment necessary for repair or replacement that are expected to be incurred to replace or repair failed units over time (i.e., repair or replacement cost). The Company’s Safety and Quality department has primary responsibility to determine the estimated failure rates for each generation of product.

The key inputs and assumptions used in calculating the estimated assurance warranty liability and related warranty asset are reviewed by management on a quarterly basis. The Company may make additional adjustments to the estimated assurance warranty liability and related warranty asset based on our comparison of actual warranty results to expected results for significant differences or based on performance trends or other qualitative factors. If actual failure rates or replacement costs differ from our estimates in future periods, changes to these estimates may be required, resulting in increases or decreases in our estimated assurance warranty liability and related warranty asset which may be material. As we are in an evolving market, there is a degree of estimation uncertainty regarding our estimated recurring warranty accrual rate.

Legal Contingencies

From time to time, the Company may be involved in litigation, government investigations, and other regulatory or legal proceedings relating to claims that arise out of our operations and businesses and that cover a wide range of matters, including, but not limited to, securities litigation, intellectual property matters, commercial and contract disputes, insurance and property damage claims, labor and employment claims, torts and personal injury claims, product liability claims, environmental claims, and warranty claims. The Company accrues for litigation and claims when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. It is reasonably possible that some matters could have an unfavorable result to the Company and could require the Company to pay damages or make expenditures in amounts that could be material.

2021 Overheating Event at Customer Facility

On September 4, 2021, a 300 MW energy storage facility owned by one of our customers experienced an overheating event. Fluence served as the energy storage technology provider and designed and installed portions of the facility, which was completed in the fiscal year ended September 30, 2021. No injuries were reported from the incident. The facility was taken offline as teams from Fluence, our customer, and the battery designer/manufacturer investigated the incident. Our customer released initial findings in the second fiscal quarter of 2022 on what it contends is the root cause of the incident. The customer’s stated findings, if ultimately confirmed and proven, could relate to certain scopes of work for which Fluence or its subcontractors could be responsible. The customer’s stated findings, however, could also relate to certain scopes of work for which other parties were responsible and/or relate to other causes, including the design and installation of portions of the facility over which Fluence did not have responsibility or control. The customer has alleged that Fluence is liable for the incident. At this time, Fluence cannot accept the customer’s stated findings and has denied liability. No formal legal proceedings have been commenced, but it is reasonably possible that litigation may result from this matter if a resolution cannot be achieved. Any such dispute would also likely include claims by Fluence and counterclaims by the customer relating to disputed costs arising from the original design and construction of the facility. The customer announced in July of 2022 that a large portion of the facility was back online. We are currently not able to estimate the impact that this incident may have on our financial results. To date, we do not believe that this incident has impacted the market’s adoption of our products and solutions.

2023 Project-Related Litigation

In October 2023, Fluence filed a complaint in the Superior Court of California, Contra Costa County, against Diablo Energy Storage, LLC, Empire Business Park, LLC, the Bank of New York Mellon and others, seeking approximately $37.0 million in damages arising from the supply and construction of an energy storage facility for the defendants, including for the defendants' nonpayment of contractual amounts owed. On or about November 10, 2023, Defendant Diablo Energy Storage, LLC filed a cross-complaint against Fluence, seeking a minimum of $25.0 million of alleged damages and disgorgement of all compensation received by Fluence for the project, in the amount of approximately $230.0 million. The disgorgement claim was based upon an alleged deficiency in Fluence's contractor license. Fluence denies the allegations in the cross-complaint and intends to vigorously defend against them and to enforce our claims against the defendants. We are currently not able to estimate the impact, if any, that this litigation may have on our reputation or financial results, or on market adoption of our products and solutions.

SEC Investigation

On February 22, 2024, as previously disclosed, a short-seller report was published about the Company (the "Short Seller Report"). In response to the Short Seller Report, the Audit Committee of the Company's Board of Directors completed an internal investigation, with the assistance of outside counsel and forensic accountants, into the allegations in the Short Seller Report. The Company has been informed that the SEC is conducting a formal investigation and asking for certain information regarding our financial reporting. The Company is fully cooperating with the SEC's investigation. While we are unable to predict the likely outcome of this matter or the potential cost, exposure or duration of the process, based on the information we currently possess, we do not expect the total potential cost to be material to our financial condition.

Securities Class Actions

On March 11, 2025, a putative federal securities class action complaint captioned *Abramov v. Fluence Energy, Inc. et al.* (Case No. 1:25-cv-00444) was filed in the United States District Court, Eastern District of Virginia, against the Company and certain of the Company's executive officers. On April 15, 2025, a putative federal securities class action complaint captioned *Kramer v. Fluence Energy, Inc. et al.* (Case No. 1:25-cv-00634) was filed in the United States District Court, Eastern District of Virginia, against the Company, certain of the Company's current and former executive officers, AES Grid Stability, and AES. Both actions purported to be brought on behalf of a purported class of stockholders, and asserted violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder. The complaints sought unspecified damages and other relief. On May 30, 2025, the United States District Court, Eastern District of Virginia ordered the consolidation of the *Abramov* and *Kramer* cases, captioned the consolidated matter *In re Fluence Energy, Inc. Securities Litigation* (Case No. 1:25-cv-00444-PTG-IDD) and appointed a lead plaintiff and lead counsel. The court-appointed lead plaintiff subsequently filed a consolidated complaint that asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder against the Company, AES Grid Stability, AES, and certain of the Company's former and current executive officers. The consolidated complaint seeks unspecified damages and other relief. The defendants filed a motion to dismiss the consolidated complaint on July 11, 2025. The Company does not believe the consolidated complaint states any meritorious claim and intends to defend this case vigorously.

Shareholder Derivative Actions

On March 25, 2025, a purported stockholder, Raffi Elmajian, filed a shareholder derivative complaint captioned *Elmajian v. Nebreda et al.* in the United States District Court, Eastern District of Virginia (Case No. 1:25-cv-521) against current and former officers and directors of the Company, naming the Company as a nominal defendant. On April 3, 2025, a purported stockholder, Diaa Al Amad, filed a second shareholder derivative complaint captioned *Al Amad v. Nebreda et al.* in the United States District Court, Eastern District of Virginia (Case No. 1:25-cv-577) against current and former officers and directors of the Company, naming the Company as a nominal defendant. Both derivative complaints allege claims under Section 14(a) of the Securities Exchange Act of 1934 and breaches of fiduciary duties, among other claims. The actions purport to be brought derivatively on behalf of the Company and seek damages and other various relief. On April 22, 2025, the United States District Court, Eastern District of Virginia ordered the consolidation of the Elmajian and Al Amad cases, captioned *In re Fluence Energy, Inc. Shareholder Derivative Litigation* (Case No.: 1:25-cv-00521). On July 21, 2025, the United States District Court, Eastern District of Virginia ordered a stay on all proceedings and deadlines in the consolidated derivative matter until resolution of the consolidated securities class action detailed above. The Company believes the claims in the complaints are without merit and intends to defend the matter vigorously.

15. Related-Party Transactions

Related parties are primarily represented by AES and Siemens, their respective subsidiaries, other entities under common control, and other entities in which Siemens and AES have significant influence. As of June 30, 2025, AES Grid Stability holds 51,499,195 shares of Class B-1 common stock of Fluence Energy, Inc. and Siemens beneficially owns an aggregate of 51,499,195 shares of Class A common stock of Fluence Energy, Inc.

Sales and Procurement Contracts with Related Parties

The Company signs back-to-back battery-based energy storage solution and related service contracts with AES, Siemens, their respective subsidiaries, other entities under common control, and other entities in which Siemens and AES have significant influence (collectively referred to as affiliates) in relation to execution of the affiliates' contracts with external customers and also signs direct contracts with affiliates. The Company also signs consortium agreements to partner with affiliates to deliver battery-based energy storage products and related service contracts to external customers. When performing our obligations pursuant to such contracts, we may, from time to time, enter into related change orders or settlements with our related parties and their affiliates.

The Company also provides consulting services to AES whereby Fluence will advise and in some cases provide support to AES on procurement, logistics, design, safety, and commissioning of certain of their projects. Revenue from consulting services is classified as "Revenue from sale of energy storage products and solutions" in the Company's Disaggregation of revenue table in "Note 4 - Revenue from Contracts with Customers." Revenue from the consulting services is primarily recognized ratably over time based on a project specific period of performance in which we expect the performance obligation to be fulfilled. For the three months ended June 30, 2025 and 2024, the Company recognized $1.6 million and $1.4 million in revenue from consulting services with AES, respectively. For the nine months ended June 30, 2025 and 2024, the Company recognized $7.0 million and $5.3 million in revenue from consulting services with AES, respectively.

Revenue from contracts with affiliates is included in "Revenue from related parties" on the Company's condensed consolidated statements of operations.

In addition, the Company purchases materials and supplies from its affiliates and records the costs in "Cost of goods and services" on the Company's condensed consolidated statements of operations.

Administrative and Service Agreements

For the nine months ended June 30, 2025, the Company has received a limited scope of consulting services from Siemens Advanta, a subsidiary of Siemens AG, and limited treasury services related to executing trades for derivative contracts from The AES Corporation.

The costs of consulting services are recorded in "Costs of goods and services" or "General and administrative expenses" depending on the scope or nature of the underlying project. The other administrative service agreements are recorded in "General and administrative expenses" on the Company's condensed consolidated statement of operations.

Guarantees

Fluence paid performance guarantee fees to its affiliates in exchange for guaranteeing Fluence's performance obligations under certain contracts with Fluence's customers, which are based on the affiliates' weighted-average cost for bank guarantees and their per annum cost with a reasonable markup. These guarantees are provided pursuant to the Amended and Restated Credit Support and Reimbursement Agreement, dated June 9, 2021, with AES and Siemens Industry (the "Credit Support and Reimbursement Agreement") whereby they may, from time to time, agree to furnish credit support to us in the form of direct issuances of credit support to our lenders or other beneficiaries or through their lenders' provision of letters of credit to backstop our own facilities or obligations. The guarantee fees are included in "Costs of goods and services" on Fluence's condensed consolidated statements of operations.

Refer to "Note 17 - Supply Chain Financing" for details of the related party guarantees associated with a supply chain financing program.

Balance Sheet Related Party Transactions

The Company's condensed consolidated balance sheets included the following balances with related parties for the periods indicated:

In thousands	June 30, 2025	September 30, 2024
Accounts receivable	$ 8,150	$ 92,183
Unbilled receivables	150,226	270,340
Total receivables from related parties	$ 158,376	$ 362,523
Advances to suppliers	$ 1,683	$ 32,074
Accounts payable	2,051	3,410
Deferred revenue	47,790	38,162
Accruals and provisions	6,737	6,099
Other current liabilities	301	428
Other non-current liabilities	—	1,507

Receivables, deferred revenue, advances, accounts payables, accruals and provisions, and other current and non-current liabilities with related parties are unsecured and settlement of these balances occurs in cash. No provision has been made related to the receivables from related parties.

Statement of Operations Related Party Transactions

The following table presents the related party transactions that are included in the Company's condensed consolidated statements of operations for the periods indicated:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Revenue [(a)]	$ 35,607	$ 155,226	$ 273,407	$ 614,289
Cost of goods and services [(b)]	45,931	4,110	72,785	9,622
Research and development expenses	—	—	5	134
Sales and marketing	—	—	—	42
General and administrative expenses	131	1,622	1,243	5,328
Other expense (income), net [(c)]	(1,206)	—	(1,206)	(1,508)

(a) Revenue from AES and its affiliates was approximately $35.6 million and $271.3 million for the three and nine months ended June 30, 2025, respectively. Revenue from AES and its affiliates was approximately $155.5 million and $598.8 million for the three and nine months ended June 30, 2024, respectively.

(b) Represent purchases from related parties that are included in costs of goods and services and are not associated with the revenue listed in the table above.

(c) Represents impact on other income as a result of a reduction of our Tax Receivable Agreement liability for the three and nine months ended June 30, 2025. Represents factoring income from a subsidiary of AES related to receivables sold under the MRPA (as defined below) for the three and nine months ended June 30, 2024. The corresponding cost paid to the purchaser was $1.5 million and is recorded in "Sales and marketing expense" and is not considered a related party transaction. Pursuant to the MRPA, Fluence Energy, LLC may sell certain receivables for any of our customers that choose to participate in the program.

16. Stock-Based Compensation

Option Plan

In 2020, the Company established the 2020 Unit Option Plan (the "Option Plan") under which employees, directors, and consultants, were originally granted non-qualified options to purchase Class A-1 units of Fluence Energy, LLC. As of September 30, 2021, the Company determined that achievement of the performance conditions related to awards granted under the Option Plan was not probable and therefore, no expense was recognized for the non-qualified options during the fiscal year ended September 30, 2021. The completion of the initial public offering on November 1, 2021 (the "IPO") resulted in achievement of the performance condition for the majority of the underlying awards granted under the Option Plan. In connection with the IPO, the non-qualified options were converted into non-qualified stock options to purchase shares of Class A common stock of Fluence Energy, Inc. Non-qualified stock options under the Option Plan have a contractual term of ten years from the date of grant and an exercise price of $2.45. The Company estimated the fair value of the awards using the Black-Scholes option-pricing model. The outstanding awards will continue to be governed by the existing terms under the Option Plan. The Option Plan is accounted for as an equity plan. The Company will not make any further awards under the Option Plan.

As of June 30, 2025, 2,376,486 stock options under the Option Plan remain outstanding with no unrecognized stock compensation expense.

Phantom Units

Employees, directors, and consultants were granted compensation under the Company's Phantom Equity Incentive Plan (the "Phantom Incentive Plan"). As of September 30, 2021, the Company determined that achievement of the performance conditions related to awards granted under the Phantom Incentive Plan was not probable and therefore, no expense was recognized for the phantom units during the fiscal year ended September 30, 2021. The completion of the IPO on November 1, 2021 resulted in achievement of the performance condition for the majority of the underlying awards granted under the Phantom Incentive Plan. At the completion of the IPO, a portion of the awards to the Company's officers were modified, extending out the vesting period. The Company will not make any further awards under the Phantom Incentive Plan.

As of June 30, 2025, there are no phantom unit awards outstanding and there is no unrecognized stock compensation expense.

2021 Stock-Based Compensation Plan

During the fiscal year ending September 30, 2021, the Company established the 2021 Incentive Award Plan (the "2021 Incentive Plan") which reserved 9,500,000 shares of Class A common stock of Fluence Energy, Inc. for issuance to management, other employees, consultants, and board members of the Company. The 2021 Incentive Plan governs both equity-based and cash-based awards, including incentive stock options, NQSOs, restricted stock, PSUs, and RSUs. Employee stock-based awards currently issued pursuant to the 2021 Incentive Plan that are expected to be settled by issuing shares of Class A common stock are recorded as equity awards. The Company accounts for forfeitures as they occur.

Restricted Stock Units

RSUs granted under the 2021 Incentive Plan vest ratably at one-third annually on the anniversary of the grant date over a three-year period pursuant to the terms of their applicable award agreements. The Company generally expenses the grant date fair value of the awards on a straight-line basis over each of the three separately vesting tranches within a given grant. There is no contractual term on the RSUs granted under the 2021 Incentive Plan. The Company estimated the fair value of the awards using the market value of our Class A common stock on the grant date. The market value of our Class A common stock is calculated using the closing price of our Class A common stock on the date of grant. The following table summarizes activity under the 2021 Incentive Plan for the nine months ended June 30, 2025:

	Number of RSUs
Outstanding as of October 1, 2024	1,759,857
Granted	1,814,896
Vested	(746,481)
Forfeited	(232,920)
Outstanding as of June 30, 2025	2,595,352

As of June 30, 2025, 2,595,352 RSUs previously issued remained outstanding with unrecognized stock compensation expense of $22.2 million.

Non-Qualified Stock Options

During the nine months ended June 30, 2025, the Company granted 310,422 non-qualified stock options to purchase Class A common stock under the 2021 Incentive Plan with a weighted average exercise price of $16.07. Non-qualified stock options under the 2021 Incentive Plan have a contractual term of ten years from the date of grant. The Company estimated the fair value of the awards using the Black-Scholes option-pricing model. The non-qualified stock options granted under the 2021 Incentive Plan vest ratably at one-third annually on the anniversary of the grant date over a three-year period pursuant to the terms of their applicable award agreements. The Company generally expenses the grant date fair value of the awards on a straight-line basis over each of the three separately vesting tranches within a given grant.

As of June 30, 2025, 472,381 non-qualified stock options previously issued pursuant to the 2021 Incentive Plan remained outstanding with unrecognized stock compensation expense of $2.4 million.

Performance Share Units

During the nine months ended June 30, 2025, the Company granted 684,118 PSUs redeemable for Class A common stock under the 2021 Incentive Plan. The Company has issued two rounds of PSU grants under the 2021 Incentive Plan, the first commencing at the start of fiscal year 2024 and the second commencing at the start of fiscal year 2025. The PSUs for the 2024-2026 performance cycle and the 2025-2027 performance cycle are both earned based on (i) the achievement of two financial performance metrics: cumulative Adjusted EBITDA (65% weight) and cumulative revenue (35% weight), over a two-year performance period beginning October 1st in the year of grant through September 30th in the second year after grant, and (ii) service-based vesting based on continued employment from the date of grant through September 30th in the third year after grant. The performance targets for cumulative revenue and cumulative Adjusted EBITDA are set by the Compensation and Human Resources Committee of the Company's Board of Directors. PSUs are considered fully vested when both the performance and service based requirements are met in accordance with the vesting requirements and will be settled in Class A common stock no more than 60 days after the end of the third fiscal year. The awards can be paid out in a range of 50% to 200%, with 0% paid out for below-threshold performance, based on the achievement of the performance criteria and upon continued service through the performance period. The Company estimated the fair value of the awards using the market value of our Class A common stock. The market value is calculated using the closing price of our Class A common stock on the date of grant. The Company monitors the achievement of the performance criteria and expenses ratably the grant date fair value of the awards probable to vest over the requisite service period. If there are changes to the amount of probable awards to vest based on achievement of performance criteria, the related stock-based compensation expense may be significantly increased or reduced in the period that our estimate changes.

As of June 30, 2025, 986,767 PSUs previously issued remained outstanding with estimated unrecognized stock compensation expense of $0.0 million.

Other

In connection with the acquisition of Nispera AG in 2022, Fluence issued 531,202 shares of restricted stock to Nispera's management team. The estimated post combination expense to the Company as a result of the business combination was approximately $6.9 million which is being recognized on a straight-line basis over the remaining service period that was stipulated in each holder's original restricted stock agreement.

As of June 30, 2025, no restricted stock awards previously issued remained outstanding with and there is no unrecognized stock compensation expense.

Stock-based compensation expense

Stock-based compensation expense was recorded as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands [(a)]	2025	2024	2025	2024
Cost of goods and services	$ 636	$ 824	$ 2,154	$ 3,203
Research and development	403	509	1,139	1,901
Sales and marketing	734	412	1,413	1,084
General and administrative	4,627	4,395	10,836	12,217
Total	$ 6,400	$ 6,140	$ 15,542	$ 18,405

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

17. Supply Chain Financing

The Company provides certain of our suppliers with access to a supply chain financing program through a certain third-party financing institution (the "SCF Bank"). This program allows the Company to seek extended payment terms up to 120 days with our suppliers and allows our suppliers to monetize their receivables prior to the payment due date, subject to a discount. The Company does not pledge any assets as collateral under this program. Once a supplier elects to participate in this program and reaches an agreement with SCF Bank, the supplier chooses which individual invoices to sell to the SCF Bank. The Company then pays SCF Bank on the applicable due date. The Company has no economic interest in a supplier's decision to sell an underlying receivable to SCF Bank. The agreements between our suppliers and SCF Bank are solely at their discretion and are negotiated directly between those two parties. Our suppliers' ability to continue using such agreements is primarily dependent upon the strength of our financial condition and guarantees issued by AES and Siemens Corporation, a subsidiary of Siemens, pursuant to the terms of the Credit Support and Reimbursement Agreement. As of June 30, 2025, AES and Siemens Corporation issued guarantees of $50 million each, for a total of $100 million, to SCF Bank on our behalf. The Company's outstanding obligations confirmed as valid under this existing supplier financing program for periods ended June 30, 2025 and September 30, 2024, are as follows:

In thousands	June 30, 2025	September 30, 2024
Obligations outstanding at the beginning of the period	$ 81,289	$ 30,001
Invoices issued during the period	63,316	243,655
Invoices paid during the period	(144,605)	(192,367)
Obligations outstanding at the end of the period	$ —	$ 81,289

For the nine months ended June 30, 2025, two suppliers were actively participating in this supply chain financing program. All outstanding payments owed under the program are recorded within "Accounts payable" on the condensed consolidated balance sheets.

18. Derivatives and Hedging

Certain of the Company's foreign operations expose the Company to fluctuations of foreign exchange rates. These fluctuations may impact the value of the Company's cash receipts and payments in terms of the functional currency of the transacting party. The Company's primary exposure results from the foreign currency impact of intercompany sales of inventory to regional entities by the Company's centralized procurement legal entity. These intercompany sales are denominated in the functional currency of the regional entities, primarily the Euro, the British Pound, and the Australian dollar, while the functional currency of the centralized procurement legal entity is the U.S. dollar. This introduces foreign exchange risk on the revenues recorded for such intercompany sales. The Company enters into foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. These contracts are entered into with large, reputable financial institutions that are monitored for counterparty credit risks.

For the Company's foreign currency forward contracts that are designated and qualify as cash flow hedges, the gains or losses on the effective portion of such hedges are recorded in accumulated other comprehensive income and subsequently reclassified in the period during which the hedged transaction affects earnings within revenue in the consolidated statements of operations (i.e., when control of the inventory is passed to third-party customers and revenue is recognized). The change in fair value of the components excluded from the assessment of effectiveness, including changes in the spot-forward differential and counterparty non-performance risk, will also be recognized within revenue in the consolidated statements of operations.

The Company currently also has foreign currency forward contracts that are not designated as hedges and the changes in fair value of such derivatives are recognized in current period earnings. As of June 30, 2025, the impact on our condensed consolidated financial statements was not significant.

Cash Flow Hedges

The fair value of the Company's cash flow hedges as well as their classification on the condensed consolidated balance sheets as of June 30, 2025 and September 30, 2024 are as follows:

	June 30, 2025			September 30, 2024		
In thousands	Notional Value	Other Current Assets	Other Current Liabilities	Notional Value	Other Current Assets	Other Current Liabilities
Foreign currency forward contracts	$ 53,158	$ —	$ 3,712	$ 106,650	$ —	$ 5,498

The gains or (losses) resulting from changes in fair value of the Company's cash flow hedges recognized in accumulated other comprehensive income (loss) for the three and nine months ended June 30, 2025 and 2024 are as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Foreign currency forward contracts, net of tax	$ (4,333)	$ (3,243)	$ 3,537	$ (1,883)

The amounts recognized within "Revenue" in the condensed consolidated statements of operations with respect to the Company's cash flow hedges for the three and nine months ended June 30, 2025 and 2024 are as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
In thousands	2025	2024	2025	2024
Foreign currency forward contracts	$ (2,078)	$ 72	$ 3,641	$ 158

The following table details the changes in the cumulative impact of the gain (loss) on derivatives designated for hedge accounting for the nine months ended June 30, 2025:

In thousands	June 30, 2025
Loss as of September 30, 2024	$ (6,276)
Amount recognized in accumulated other comprehensive income (loss)	3,537
Amount reclassified from accumulated other comprehensive income (loss) into earnings	(1,250)
Loss as of June 30, 2025	$ (3,989)

19. Sale of Receivables under Master Receivables Purchase Agreement

On February 27, 2024, Fluence Energy, LLC entered into a Master Receivables Purchase Agreement ("MRPA"), by and among Fluence Energy, LLC and any other seller from time to time party thereto, as sellers and servicers, and Credit Agricole Corporate and Investment Bank ("CACIB"), as purchaser.

Pursuant to the MRPA, Fluence Energy, LLC may sell certain receivables (the "Purchased Receivables") to CACIB from time to time, and CACIB may agree to purchase the Purchased Receivables in each case, on an uncommitted basis. The MRPA provides that the outstanding amount of all Purchased Receivables under the MRPA will not exceed $75.0 million, with sublimits for each account debtor and for certain kinds of receivables. The MRPA may be terminated by either party at any time by 30 days' prior written notice. Fluence Energy, LLC has granted CACIB a security interest in the Purchased Receivables, and proceeds thereof, as more fully described in the MRPA, in order to perfect CACIB's ownership interest in the Purchased Receivables and secure the payment and performance of all obligations of Fluence Energy, LLC to CACIB under the MRPA. The MRPA contains other customary representations and warranties and covenants.

When receivables are sold under the MRPA, they are sold without recourse, and the Company's continuing involvement is limited to their servicing, for which the Company receives a fee commensurate with the service provided and therefore no servicing asset or liability related to these receivables was recognized for any period presented. The fair value of the sold receivables approximated their book value due to their short-term nature.

For the nine months ended June 30, 2024, the Company sold receivables to CACIB under the MRPA for net proceeds of $71.5 million. At the date of the true sale, the receivables were de-recognized in their entirety from the condensed consolidated balance sheet. We charged a fee to our customer, primarily for providing extended payment terms, in relation to the sale of receivables. We recorded factoring income of $1.5 million and related factoring discount of $1.5 million during the period. The factoring income is recorded in "Other expense (income), net" and the factoring discount is recorded in "Sales and marketing expense" on the condensed consolidated statements of operations. Proceeds from the sold receivables are reflected in operating cash flows on the condensed consolidated statements of cash flows. There were no transactions for the nine months ended June 30, 2025.

20. Subsequent Events

The Company entered into a new $150.0 million supply chain financing arrangement (the “New SCF Facility”) with a third-party financial institution (the “New SCF Bank”) on August 8, 2025. This New SCF Facility allows the Company to seek extended payment terms with our suppliers and allows our suppliers to monetize their receivables prior to the payment due date, subject to a discount. Such sales are at the sole discretion of the supplier, and on terms and conditions that are negotiated between the supplier and the New SCF Bank. The Company is not a party to the arrangement between its suppliers and the New SCF Bank and the Company has no economic interest in a supplier’s decision to sell an underlying receivable to the New SCF Bank. The Company does not provide secured legal assets or other forms of guarantees under this arrangement, nor do any of the Company’s affiliates. Under the New SCF Facility, we are required to maintain a liquidity ratio of 2:1 as of the last day of each calendar month. Liquidity ratio is defined as the ratio of (i) liquidity to (ii) the sum of (x) the aggregate outstanding notional amount of all receivables, bills of exchange or similar negotiable instruments purchased by the original SCF Bank under the existing supply chain financing arrangement described in “Note 17 - Supply Chain Financing” and (y) the aggregate outstanding notional amount of payables outstanding under this New SCF Facility. Liquidity under the New SCF Facility includes the Company’s cash and cash equivalents and aggregate availability under the Company’s committed credit facilities, including the 2024 Revolver. At June 30, 2025, the Company's had no outstanding payment obligations to the New SCF Bank related to this New SCF Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The following analysis provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Fluence and should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes thereto included in this Quarterly Report on Form 10-Q for the period ended June 30, 2025 (this "Report") and in conjunction with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, filed with the U.S. Securities and Exchange Commission (the "SEC") on November 29, 2024 (the "2024 Annual Report"). In addition to historical data, this discussion contains forward-looking statements about our business, results of operations, cash flows, financial condition, and prospects based on current expectations that involve risks, uncertainties, and assumptions. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed in Part I, Item 1A. "Risk Factors" of the 2024 Annual Report and Part II, Item 1A. "Risk Factors" and the section titled "Cautionary Statement Regarding Forward-Looking Information" included elsewhere in this Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future. We use words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "potential," "seek," "should," "will," "would," "commit," "target," "contemplate," and similar expressions to identify forward-looking statements.

Fluence Energy, Inc. is a holding company whose sole material assets are the limited liability interests in Fluence Energy, LLC (the "LLC Interests"). All of our business is conducted through Fluence Energy, LLC, together with its subsidiaries, and the financial results of Fluence Energy, LLC are consolidated in our financial statements. Except where the context clearly indicates otherwise, "Fluence," "we," "us," "our," or the "Company" refers to Fluence Energy, Inc. and its wholly owned subsidiaries.

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The Company's CODM reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Company has determined that it operates in one operating segment, which corresponds to one reportable segment.

Our fiscal year begins on October 1 and ends on September 30. References to "fiscal year 2022," "fiscal year 2023," "fiscal year 2024," and "fiscal year 2025" refer to the twelve months ended September 30, 2022, September 30, 2023, September 30, 2024 and ending September 30, 2025, respectively.

Key Factors, Trends, and Uncertainties Affecting our Performance

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in Part I, Item 1A. "Risk Factors" within our 2024 Annual Report and Part II, Item 1A. "Risk Factors" in this Report.

Industry Outlook

The utility-scale battery storage industry as a whole is witnessing unprecedented growth, fueled by global transitions toward renewable energy, heightened focus on grid resilience, and supportive regulatory frameworks. Deployment of renewable energy resources has accelerated over the last decade. Industry-wide, the push for decarbonization is creating increasing demand for grid-scale energy storage, which is critical to enabling the integration of variable renewable energy sources, reducing the intermittency and volatility of renewable energy generation, and meeting ambitious net-zero targets. BloombergNEF estimated in its 1H 2025 Energy Storage Market Outlook published on April 30, 2025 that the global utility scale market, excluding China, will add approximately 2,660 GWh between 2024 and 2035.

Our revenue growth is directly tied to the continued adoption of energy storage solutions by our customers. One factor that impacts this continued adoption of energy storage solutions is the cost of lithium-ion energy storage hardware. The cost of lithium-ion energy storage hardware has declined significantly in the aggregate in the last decade and has resulted in a large addressable market today. In fiscal year 2022, we saw prices for lithium-ion battery packs increase from prior years, though prices returned to their historical trend of declining year-over-year in fiscal years 2023 and 2024. The market for energy storage continues to rapidly evolve and while we believe lithium-ion battery pack costs will continue to decline over the long term, there is no guarantee that they will decline or decline at the rates we expect. If costs do not continue to decline long term and instead remain steady or increase, as seen in fiscal year 2022, this could adversely affect our ability to increase our revenue, our order intake, and grow our business. Moreover, as discussed below, to the extent our imports of lithium-ion batteries are significantly impacted by tariffs or trade policy or other legislation or regulation, this could have an adverse impact on our business and results of operations.

Our growth strategy includes leveraging our global scale, technology leadership, product development, and market share position to help transform the way we power our world for a more sustainable future. Overall, we believe Fluence is well-positioned to continue to capitalize on the utility-scale battery storage market as we continue to deliver solutions that address the complex needs of a transforming energy landscape. We have and intend in the future to further develop and innovate to provide energy storage solutions and digital software offerings that aim to solve our customers' energy challenges and expand our services with additional value-add offerings. We are also focused on expanding our business with standardized offerings that are optimized for each of our sales channels and continuing to move towards a more localized, regional organizational structure to better support customers and sales channels, improve logistics, and enhance market focus. For instance, the Company continues to ramp up use of domestic manufacturing facilities in Arizona, Texas, Tennessee, and Utah, as well as our domestic inverter supplier in South Carolina for our customers and projects in the United States. However, there is no guarantee that the deployment of renewable energy will occur as we expect or at the rate estimated by BloombergNEF or that such renewable energy will rely on lithium-ion battery technology for energy storage. Economic uncertainties, supply chain disruptions, geo-political conflicts, government regulations and incentives, trade environment, including tariff policy, and other factors could result in fluctuations in demand for and deployment of renewable energy resources and may materially increase inventory costs and costs of goods and services, adversely affecting our revenue, growth, and ability to generate profits in the future. See Part I, Item 1A. “Risk Factors” in our 2024 Annual Report and Part II, Item 1A. “Risk Factors” in this Report for further discussion on these risks.

Market Trends and Uncertainties

Current economic conditions affecting our industry and the global markets more generally, including ambiguity around interest rates, softening labor markets, fluctuations in currency exchange rates, and recent government and policy changes implemented in the United States, the enactment of the IRA and OBBBA (both as defined below) and rapid changes in announced tariff policy, have created uncertainty in the global economy, a level of volatility in the capital markets and recessionary pressures, which have had, and which may in the future have, adverse impacts on our business and our results of operations. If a downturn in our industry or a prolonged economic downturn or recession develops from market uncertainty, it could also result in further adverse impacts to our business and results of operations in the future. We will continue to evaluate the evolving economic environment to take action to mitigate the impact on our business, consolidated results of operations, and financial condition. See Part I, Item 1A. “Risk Factors” in our 2024 Annual Report for further discussion on risks relating to macroeconomic uncertainty and market conditions and Part II, Item 1A. “Risk Factors” in this Report for further discussion on risks related to changes in the trade environment and related impact on general economic uncertainty.

Increased Electricity Demand

According to a publication from the Office of Policy of the U.S. Department of Energy in August 2024, electricity demand is forecasted to grow substantially in the United States over the next decade. We are seeing similar trends of increasing electricity demand in other countries, including those in which we operate. We believe that such increase in electricity demand is helping to, and will continue to help to, increase demand for energy storage solutions globally, including for our energy storage solutions. Electricity demand, and in turn related energy storage demand, is being driven and we believe will continue to be driven, primarily by new data centers, artificial intelligence, new manufacturing facilities, and sector-wide electrification.

Government Regulation and Compliance

Adoption of energy storage solutions, services, and digital application offerings by our customers is also dependent on applicable government regulation, legislation, and policies. Governments across the globe have announced, implemented, and continue to consider implementation of various policies, regulation, and legislation to support the transition from fossil fuels to low-carbon forms of energy, including through the development and deployment of energy storage. For example, in August 2022, the United States passed the Inflation Reduction Act of 2022 (the "IRA"), which included incentives that supported the adoption of energy storage solutions, including a new "technology neutral" Section 48E investment tax credit (the "ITC") and Section 45Y production tax credit (the "PTC"), changes to the previous Section 48 non-"technology neutral" investment tax credit and Section 45 production tax credit, and a new Section 45X advanced manufacturing production tax credit (the "AMPC"). On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was signed into law, which significantly modified certain provisions of the IRA, including those related to energy storage. The OBBBA supports energy storage in the United States, as the bill includes long-term continued availability of the ITC for energy storage projects and the AMPC for cells, modules, and inverters in energy storage systems. Certain tax credits, notably including the ITC for storage, will begin to phase down for projects beginning construction after 2033. The prevailing wage and apprenticeship requirements enacted under the IRA continue to apply under the OBBBA in order for the project owner to receive the full ITC value, and the credit value can be further increased if the project owner also qualifies for a domestic content bonus credit and energy communities bonus credit. The OBBBA amended the provisions of the domestic content bonus credit for the ITC such that the project owner now must achieve higher minimum domestic content thresholds. In addition, the OBBBA amended the ITC and AMPC such that there are new foreign entity of concern ("FEOC") requirements to qualify for such tax credits and are intended to deny tax credits to projects that are owned or controlled by certain foreign entities, including Chinese entities, or that source components from or make payments to such entities.

The new FEOC restrictions apply to virtually all key tax credits under the IRA and come in two forms: (i) in tax years beginning after July 4, 2025, the taxpayer taking the tax credit may not be a prohibited foreign entity ("PFE") or under "effective control" by a PFE and (ii) for ITC projects that begin construction after 2025 and AMPC eligible components that are sold in tax years beginning after July 4, 2025, the project must source a certain percentage of material (which increases over time) from non-PFEs (which is otherwise known as the material assistance component). On July 7, President Trump issued an executive order titled "Ending Market-Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources," which, among other things, tasked the U.S. Department of Treasury with promptly implementing the enhanced FEOC restrictions established by the OBBBA to ensure FEOC ownership/control and material assistance restrictions are implemented within the compliance timeframe. In preparation for the potential application of FEOC restrictions being applied to the energy storage tax credits arising out of the IRA, we developed a compliance strategy intended to address and mitigate risks relating thereto. We believe that under the current language of the OBBBA, which is subject to final rules and further guidance, certain of our US domestic suppliers may be impacted by these new FEOC restrictions. We are actively implementing our risk mitigation strategy with our U.S. suppliers utilizing the AMPC and working with such suppliers to achieve compliance with the OBBBA conditions for the AMPC, including the FEOC restrictions, by the applicable compliance deadlines set forth in the OBBBA. See Part II, Item 1A. "Risk Factors" in this Report for further discussion on risks related to regulatory policy on the Company and its operations, including the IRA and OBBBA.

We believe we are well positioned to benefit from both the ITC provisions (including the revised domestic content bonus credit thresholds) and the AMPC, via our battery module manufacturing at our U.S. contract manufacturing facility, our supply agreement for U.S. manufactured battery cells, our supply agreement for U.S. manufactured inverters, and our complete U.S. supply chain of modules, cells, inverters, battery pack, enclosures, and thermal management systems.

Government policies, regulations, legislation, and programs are instrumental in stimulating adoption of energy storage solutions across different markets through a variety of methods, including by providing financial support and incentives, facilitating grid integration, supporting research and development, and establishing favorable regulatory regimes. To the extent that any existing government incentives are modified, reduced, eliminated, or are permitted to expire or there is the potential of such modifications, reductions, eliminations or expirations, or there is determination of inapplicability of such government incentives or regulations relating to or mandating or encouraging use of renewable energy and/or energy storage, there have been and there may in future be adverse effects on customer demand and our business. Refer to the "Government Regulation and Compliance" section in our 2024 Annual Report and Part II, Item 1A. "Risk Factors" in this Report for further details on the IRA, the OBBBA, and other significant government regulations affecting our business and specific discussion of risks to our business from the modification, reduction, elimination, and expiration of government incentives and regulations or potential of such modification, reduction, elimination, and expiration of governmental incentives and regulations relating to or mandating or encouraging use of renewable energy and/or energy storage.

In May 2024, the Biden administration announced a significant shift in the tariff framework for the energy storage industry. Under this structure, the Section 301 tariff rate on lithium-ion non-EV batteries imported from China will increase from the current 7.5% to 25%, effective January 1, 2026. This change specifically targeted "batteries" as defined by U.S. Customs and Border Protection, encompassing battery energy storage systems, modules, and certain types of cells. Under the May 2024 structure announced by the Biden administration, the Section 301 tariff rate on battery "parts"–including separators, electrolytes, cans, and electrodes remains at its current 25% level. In April 2025, the Trump administration enacted additional tariffs on nearly all types of imports (including those used in our energy storage solutions) from countries around the world, including high tariffs on Chinese imports. Some of these additional tariffs have been modified further since they were imposed in April 2025. For example, in May 14, 2025, the United States and China agreed to reduce the reciprocal tariff rates between the countries, with the U.S. dropping the reciprocal tariff rate for Chinese imports to 10%, while maintaining the existing 20% fentanyl tariff on Chinese goods. As of the filing date of this Report, covered imports from China relevant to our energy storage systems are subject to the current 10% China-specific “reciprocal tariff,” plus the current China-specific 20% “fentanyl-related tariff”, plus the 3.4% base tariff on all countries, plus the applicable Section 301 tariff. Tariffs that have been imposed by the United States government against other countries have and may in the future increase, decrease, or change with little to no advanced notice. The recent tariff policy changes and continued uncertainty relating to U.S. trade policy and the corresponding response from other foreign countries have impacted and may in the future impact the energy storage market, demand for our energy storage solutions by customers, our business, and results of operations as well as those of our customers, partners, and suppliers. The Company has exposure from the imposition of these new tariffs and from the tariff uncertainty in the global markets, as the Company imports components from overseas, including battery cells from China, into the United States for customers and projects in the United States. We have experienced paused and delayed customer contracting activity in response to the tariff-related uncertainty, including as a result of the mutual agreement by the Company with certain customers in the United States to (i) defer entry into new energy storage solutions contracts and (ii) pause active, currently signed contracts under project execution and we may see further impacts to customer contracting activity if there continues to be uncertainty relating to tariffs. This impact to customer contracting behavior from the uncertain trade environment has impacted and may in the future impact our revenue, business, operating metrics, and results of operations.

In addition, currently there are ongoing investigations into certain additional tariffs on specific imports and trade practices that may result in tariffs and/or more restrictive trade duties and restrictions on components for our energy storage solutions that we import into the U.S. from overseas. For example, there is an active anti-dumping/countervailing (“AD/CV”) proceeding before the U.S. International Trade Commission and U.S. Department of Commerce (the “DOC”) regarding Chinese graphite active anode material (“AAM”) imports and downstream imports that utilize graphite AAM, which includes imports utilized in our energy storage systems. On May 20, 2025, there was a preliminary countervailing (“CV”) determination by the DOC that assigned a CV duty rate of 11.58%. On July 18, 2025, there was a preliminary antidumping (“AD”) determination by the DOC that assigned a “separate” AD tariff of 93.5% to certain entities and an adverse AD tariff of 102.72% to entities that are de facto controlled by the government of China. The AD/CV tariff rate and scope of imports subject to the tariffs may change at the final determination by DOC, which is expected on or by December 5, 2025. We are taking actions to address risks associated with these preliminary increased duties, including by building in such additional costs into our contracting process and exploring alternative sourcing strategies. We are currently assessing the ultimate impact these AD/CV tariffs could have on our suppliers, our business, our suppliers’ pricing decisions, and are waiting for the final determination from the DOC to be issued later this calendar year. Due to the uncertainty relating to the final outcome of the various ongoing tariff-related investigations, including the AD/CV proceeding described above, we cannot predict the ultimate impact the outcome of ongoing tariff investigations and any resulting tariffs or other trade actions could have to our business, financial condition, and results of operations.

See Part II, Item 1A. “Risk Factors” in this Report for further discussion on risks related to trade policy and changes in the trade environment.

Competition

The energy storage sector is highly competitive and continuously evolving. Our energy storage products, solutions, services, and digital applications are designed to meet the unique demands of the clean energy industry. The intricacy involved in the design and integration of these offerings underscores their technical complexity. Nevertheless, new companies enter the market continuously and offer products and services that compete with ours. We remain committed to pioneering novel use cases and exploring untapped market segments, many of which present lower levels of competition. We believe that competitive factors in the energy storage market include, but are not limited to:

- safety, reliability, and quality;
- ability to obtain financing;
- integration approach (including if competitor has vertical integration);
- cost of ownership;
- price of energy storage solutions, services, and digital application offerings;
- ability to issue performance guarantees, credit support, and product warranties;
- density and duration of products and solutions;
- shortened delivery, installation, and commissioning time;
- stability in supply chain;
- performance of energy storage products and solutions, services and digital applications;
- historical customer track record (as the market and industry continues to grow);
- experience in the battery energy storage system market (of the respective competitor and the leadership team);
- technological expertise and innovation;
- comprehensive solutions and offerings from a single provider;
- brand recognition;
- ability to take advantage of certain government initiatives and tax credits, including those related to the IRA and OBBBA;
- the impact of legislation, regulations, and policies;
- size of projects companies are competing on;
- ease of integration; and
- seamless hardware and software-enabled service offerings.

The competitive landscape for battery energy storage varies across different geographies, countries, grid services, and customer segments. As the global demand for energy storage products and solutions continues to rise, so does the influx of new and potential entrants into the energy storage sector. Our key competitors currently include, but are not limited to, Tesla, Inc., Wartsila, Sungrow, and Contemporary Amperex Technology Co., Limited. However, we believe we distinguish ourselves from competitors by our adeptness in identifying and addressing customer needs with tailor-made products, services, and use cases. We believe we maintain a competitive edge through our performance and value creation, evidenced by attributes such as low total cost of ownership, long-term reliability, diverse service options, and streamlined sales and delivery processes.

Supply Chain and Manufacturing

Many components and parts of our integrated energy storage solutions are sourced from suppliers and stakeholders from all over the world and are reliant on various raw materials including steel, aluminum, copper, nickel, iron phosphate, graphite, manganese, lithium carbonate, lithium hydroxide, and cobalt. Although we do not rely on any single supplier for the majority of our key components, certain components are still sourced from a limited number of stakeholders. Due to the specialized and unique nature of the products being purchased, the opportunity cost of changing suppliers is high, and substitution is often time-consuming, and as a result, Fluence has accepted and may in the future also accept terms that are less advantageous, including on pricing. Volatility in our supply chain has in the past impacted and may in the future impact demand from customers and in turn, our order intake and cause corresponding volatility in our results of operations. We have taken steps to diversify our supply chain and continue to explore opportunities to diversify our supply base to mitigate the ever changing regulatory, environmental, social, and geographic conditions as well as the impact from trade policy, including tariffs. As discussed above, we face exposure from the imposition of the tariffs enacted by the Trump administration, as the Company current imports certain components, including battery cells from China, into the United States for customers and projects in the United States. The Company is continuing to ramp up use of domestic manufacturing facilities in Arizona, Texas, Tennessee, and Utah, as well as our domestic inverter supplier in South Carolina. Our product development, manufacturing, and testing protocols are complex and require significant technological and production process expertise. Any manufacturing delay or disruption from our contract manufacturers or any of our suppliers may cause a delay or disruption in our ability to meet commitments to our customers and has and may in the future impact our business and results of operations.

However, while our U.S. centric regionalization strategy is progressing, a large portion of our current suppliers are situated outside of the United States and there is currently uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, and government regulations. Changes to tariffs and trade policy have impacted our supply chain in the past and may impact our supply chain in the future as well as our supply chain strategies, both domestically and internationally, which has had and may in the future have an adverse impact on our results of operations and business. For more information about the potential risks relating to our supply chain and exposure to international pressures, see Part I, Item 1A. “Risk Factors” in our 2024 Annual Report and Part II, Item 1A. “Risk Factors” in this Report for further discussion on risks related to changes in the trade environment.

Permits and Approvals

Each of our installations or customer installations must be designed, constructed, and operated in compliance with applicable international, federal, state, and local laws, regulations, codes, standards, and guidelines. To install and operate energy storage products and solutions on our platform, we, our customers, or our partners, as may be applicable, are required to obtain and maintain applicable permits and approvals from the relevant governmental or regulatory authorities having jurisdiction to install energy storage products and solutions and to interconnect the products with the local electrical utility. We often cannot predict whether or when all permits required for a given customer’s project will be granted or whether the conditions associated with the permits will be achievable. Furthermore, unforeseen delays in the review and permitting process has and could in the future delay the timing of the delivery and/or installation of our energy storage products thereby adversely affecting our revenue and operating results. See Part I, Item 1A. “Risk Factors” in our 2024 Annual Report for further discussion on risks related to permits and approvals.

Legal Proceedings and Legal Contingencies

The results of any current or future litigation, government investigations, or other regulatory or legal proceedings to which we are a party cannot be predicted with certainty, and regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of claims, litigation, government investigations, and other regulatory or legal proceedings.

For a description of our material pending legal contingencies, please see “Note 14 - Commitments and Contingencies”, to the unaudited condensed consolidated financial statements included elsewhere in this Report.

Key Components of Our Results of Operations

The following discussion describes certain line items in our condensed consolidated statements of operations.

Total Revenue

We generate revenue from battery-based energy storage solutions, service agreements with customers to provide operational services related to battery-based energy storage solutions, and from digital application contracts. Fluence enters into contracts with utility companies, developers, and commercial and industrial customers.

We derive the majority of our revenue from selling battery-based energy storage solutions. Generally, we must design the project, as each energy storage solution is customized depending on a customer’s energy needs, procure the major equipment, obtain manufacturing slots from our contract manufacturers, coordinate the logistics, and assemble the solution prior to delivery and installation at our customer project sites. The Company recognizes revenue over time for our energy storage solutions as we transfer control of our product to the customer.

Our revenue from selling battery-based energy storage solutions is affected by volume fulfilled, which is dependent on customer schedules and demand, changes in price, which is primarily dependent on the cost of lithium-ion energy storage hardware, and mix of products and solutions purchased by our customers.

Our revenue growth is directly tied to the continued adoption of energy storage solutions by our customers and our ability to increase our share of demand in the geographic regions where we currently compete and plan to compete in the future, which is driven by the demand for our products, geographic mix of our customers, strength of competitors' product offerings, and availability of government incentives to the end-users of our products as well as our ability to continue to develop and commercialize new and innovative solutions that address the changing technology and performance requirements of our customers and that meet applicable regulatory requirements.

Cost of Goods and Services

Cost of goods and services consists primarily of product costs, including purchased materials and supplies, as well as costs related to shipping, customer support, product warranty, and personnel. Personnel costs in cost of goods and services includes both direct labor costs as well as costs attributable to any individuals whose activities relate to the transformation of raw materials or component parts into finished goods or the transportation of materials to the customer. Cost of goods and services are recognized when services are performed or control of goods are transferred to the customers. Standard inventory materials that could be used interchangeably on other projects are included in cost of goods sold when they are integrated into, or restricted to, the production of a customer's project.

Our product costs are affected by the underlying cost of raw materials, such as lithium-ion, and components to our solutions including inverters. Our product costs are also affected by technological innovation, economies of scale resulting in lower supply costs, and improvements in production processes and automation. We do not currently hedge against changes in the price of raw materials as we do not directly purchase raw materials; instead, we buy the components of energy storage products from our suppliers and we rely on our suppliers to hedge the underlying raw materials. We generally expect the ratio of cost of goods and services to revenue to decrease as sales volumes increase due to economies of scale, however, some of these costs, primarily personnel-related costs, are not directly affected by sales volume.

Gross Profit and Gross Profit Margin

Gross profit and gross profit margin may vary from quarter to quarter and are primarily affected by our volume fulfilled, product prices, product costs and project performance.

Operating Expenses

Operating expenses consist of research and development, sales and marketing and general and administrative expenses as well as depreciation and amortization. Personnel-related expenses are the most significant component of our operating expenses and include salaries, stock-based compensation, and employee benefits.

Research and Development Expenses

Research and development expenses consist primarily of personnel-related costs across our global research and development ("R&D") centers for engineers engaged in the design and development and testing of our integrated products and technologies and costs of materials and services procured for research and development projects. Engineering competencies include data science, machine learning, software development, network and cyber security, battery systems engineering, industrial controls, UI / UX, mechanical design, power systems engineering, certification, and more. R&D expenses also support three product testing labs located across the globe: a system-level testing facility in Pennsylvania that is used for quality assurance and the rapid iteration, testing, and launching of new Fluence energy storage technology and products, a testing facility located in Erlangen, Germany, and a deployment center located in Long Beach, California. We have established an additional Hardware in the Loop testing facility, which is co-located with our technical team in Bangalore, India. We expect R&D expenses to generally increase in future periods to support our growth and as we continue to invest in R&D activities that are necessary to achieve our technology and product roadmap goals. These expenses may vary from period to period as a percentage of revenue, depending primarily upon when we choose to make more significant investments.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel-related expenses, including salaries, stock-based compensation, employee benefits and factoring discounts on receivables sold. We have and intend to continue to expand our sales presence and marketing efforts to additional countries in the future.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related expenses, including salaries, stock-based compensation, and employee benefits, for our executives, finance, human resources, information technology, engineering and legal organizations that do not relate directly to the sales or research and development functions, as well as travel expenses, facilities costs, bad debt expense, and fees for professional services. Professional services consist of audit, legal, tax, insurance, information technology, and other costs.

Depreciation and Amortization

Depreciation consists of costs associated with property, plant, and equipment ("PP&E") and amortization of intangibles consisting of patents, licenses, developed technology, and capitalized software over their expected period of use. We expect that as we increase both our revenues and the number of our general and administrative personnel, we will invest in additional PP&E to support our growth resulting in additional depreciation and amortization.

Interest Expense (Income), net

Interest expense (income), net consists primarily of interest income net of interest expense. Interest income consists of interest earned on cash deposits and interest on customer notes receivables. Interest expense consists primarily of interest on borrowings against notes receivable pledged as collateral interest from 2030 Convertible Senior Notes, unused line fees and commitment fees related to credit facilities, and amortization of debt issuance costs.

Other (Income) Expense, Net

Other (income) expense, net primarily consists of expense or income from foreign currency exchange gains and losses on monetary assets and liabilities, factoring income from sale of receivables. and income or expense due to estimated payments to be made to related parties under the Tax Receivable Agreement, dated October 27, 2021, by and among Fluence Energy, Inc., Fluence Energy, LLC, Siemens Industry, Inc. and AES Grid Stability, LLC (the "Tax Receivable Agreement").

Income Tax Expense

We are subject to U.S. federal and state income taxes with respect to our allocable share of any taxable income or loss of Fluence Energy, LLC and are taxed at the prevailing corporate tax rates. We are also subject to foreign income taxes with respect to our foreign subsidiaries and our expectations are that valuation allowances will be recorded in certain tax jurisdictions. In addition to tax expenses, we also will incur expenses related to our operations, as well as payments under the Tax Receivable Agreement, which we expect could be significant over time. We will receive a portion of any distributions made by Fluence Energy, LLC. Any cash received from such distributions from our subsidiaries will be first used by us to satisfy any tax liability and then to make payments required under the Tax Receivable Agreement.

Net Income (Loss)

Net income (loss) may vary from quarter to quarter and is primarily affected by our gross profit and operating expenses as defined above.

Key Operating Metrics

The following tables present our key operating metrics as of June 30, 2025 and September 30, 2024. The tables below present the metrics in either Gigawatts (GW) or Gigawatt hours (GWh). Our key operating metrics focus on project milestones to measure our performance and designate each project as either "deployed", "assets under management", "contracted backlog", or "pipeline".

	June 30, 2025	September 30, 2024	Change	Change %
Energy Storage Products and Solutions				
Deployed (GW)	6.3	5.0	1.3	26%
Deployed (GWh)	16.7	12.8	3.9	30%
Contracted Backlog (GW)	8.2	7.5	0.7	9%
Pipeline (GW)	35.7	25.8	9.9	38%
Pipeline (GWh)	114.3	80.5	33.8	42%

(amounts in GW)	June 30, 2025	September 30, 2024	Change	Change %
Services				
Assets under Management	5.5	4.3	1.2	28%
Contracted Backlog	4.9	4.1	0.8	20%
Pipeline	27.9	25.6	2.3	9%

(amounts in GW)	June 30, 2025	September 30, 2024	Change	Change %
Digital Contracts				
Asset under Management	21.6	18.3	3.3	18%
Contracted Backlog	12.6	10.6	2.0	19%
Pipeline	60.1	64.5	(4.4)	(7%)

The following table presents our order intake for the three and nine months ended June 30, 2025 and 2024. The table is presented in Gigawatts (GW):

	Three Months Ended June 30,				Nine Months Ended June 30,			
(amounts in GW)	2025	2024	Change	Change %	2025	2024	Change	Change %
Energy Storage Products and Solutions								
Contracted	0.7	1.6	(0.9)	(56)%	1.9	3.7	(1.8)	(49)%
Services								
Contracted	1.4	0.4	1.0	250%	2.0	2.0	—	—%
Digital								
Contracted	0.9	0.6	0.3	50%	5.4	4.0	1.4	35%

Deployed

Deployed represents cumulative energy storage products and solutions that have achieved substantial completion and are not decommissioned. Deployed is monitored by management to measure our performance towards achieving project milestones.

Assets Under Management

Assets under management for service contracts represents our long-term service contracts with customers associated with our completed energy storage system products and solutions. We start providing maintenance, monitoring, or other operational services after the storage product projects are completed. In some cases, services may be commenced for energy storage solutions prior to achievement of substantial completion. This is not limited to energy storage solutions delivered by Fluence. Assets under management for digital software represents contracts signed and active (post go live).

Assets under management serves as an indicator of expected revenue from our customers and assists management in forecasting our expected financial performance.

Contracted Backlog

For our energy storage products and solutions 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 and the associated service has not started. For digital applications contracts, contracted backlog includes signed agreements where the associated subscription has not started.

We cannot guarantee that our contracted backlog will result in actual revenue in the originally anticipated period or at all. Contracted backlog may not generate margins equal to our historical operating results. Our customers may experience project delays or cancel orders as a result of external market factors and economic or other factors beyond our control. If our contracted backlog fails to result in revenue as anticipated or in a timely manner, we could experience a reduction in revenue, profitability, and liquidity.

Contracted/Order Intake

Contracted, which we use interchangeably with “order intake”, represents new energy storage product and solutions contracts, new service contracts and new digital contracts signed during each period presented. We define “Contracted” as a firm and binding purchase order, letter of award, change order, or other signed contract (in each case an “Order”) from the customer that is received and accepted by Fluence. Our order intake is intended to convey the dollar amount and gigawatts (operating measure) contracted in the period presented. We believe that order intake provides useful information to investors and management because the order intake provides visibility into future revenue and enables evaluation of the effectiveness of the Company’s sales activity and the attractiveness of its offerings in the market.

Pipeline

Pipeline represents our uncontracted, potential revenue from energy storage products and solutions, service, and digital software contracts, which have a reasonable likelihood of contract execution within 24 months. Pipeline is an internal management metric that we construct from market information reported by our global sales force. Pipeline is monitored by management to understand the anticipated growth of our Company and our estimated future revenue related to customer contracts for our battery-based energy storage products and solutions, services and digital software.

We cannot guarantee that our pipeline will result in actual revenue in the originally anticipated period or at all. Pipeline may not generate margins equal to our historical operating results. Our customers may experience project delays or cancel orders as a result of external market factors and economic or other factors beyond our control. If our pipeline fails to result in revenue as anticipated or in a timely manner, we could experience a reduction in revenue, profitability, and liquidity.

Non-GAAP Financial Measures

This section contains references to certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Profit Margin, and Free Cash Flow.

Adjusted EBITDA is calculated from the consolidated statements of operations using net income (loss) adjusted for (i) interest income, net, (ii) income taxes, (iii) depreciation and amortization, (iv) stock-based compensation, and (v) other non-recurring income or expenses. Adjusted EBITDA also includes amounts impacting net income related to estimated payments due to related parties pursuant to the Tax Receivable Agreement.

Adjusted Gross Profit is calculated using gross profit, adjusted to exclude (i) stock-based compensation expenses, (ii) depreciation and amortization, and (iii) other non-recurring income or expenses. Adjusted Gross Profit Margin is calculated using Adjusted Gross Profit divided by total revenue.

Free Cash Flow is calculated from the consolidated statements of cash flows and is defined as net cash provided by (used in) operating activities, less purchase of property and equipment made in the period. We expect our Free Cash Flow to fluctuate in future periods as we invest in our business to support our plans for growth. Limitations on the use of Free Cash Flow include (i) it should not be inferred that the entire Free Cash Flow amount is available for discretionary expenditures (for example, cash is still required to satisfy other working capital needs, including short-term investment policy, restricted cash, and intangible assets); (ii) Free Cash Flow has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other U.S. generally accepted accounting principles (“U.S. GAAP”) financial measures, such as net cash provided by operating activities; and (iii) this metric does not reflect our future contractual commitments.

These non-GAAP measures are intended as supplemental measures of performance and/or liquidity that are neither required by, nor presented in accordance with, GAAP. We believe that such non-GAAP measures, when read in conjunction with our operating results presented under GAAP, can be used to better assess our performance from period to period and relative to performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure.

These non-GAAP measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP and may not be comparable to similar measures presented by other entities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP. These non-GAAP measures and their reconciliation to GAAP financial measures are shown below.

The following tables present our non-GAAP measures for the periods indicated.

	Three Months Ended June 30,		**Nine Months Ended June 30,**	
($ in thousands)	**2025**	**2024**	**2025**	**2024**
Net income (loss)	$ 6,894	$ 1,075	$ (92,051)	$ (37,357)
Add:				
Interest expense (income), net	1,083	(1,300)	733	(4,554)
Income tax expense	4,577	4,229	869	1,328
Depreciation and amortization	8,255	4,423	18,929	10,395
Stock-based compensation[(a)]	6,400	6,140	15,542	18,405
Other non-recurring expenses[(b)]	146	1,033	3,246	3,017
Adjusted EBITDA	$ 27,355	$ 15,600	$ (52,732)	$ (8,766)

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

(b) Amount for the three months ended June 30, 2025 includes approximately $1.4 million in severance costs related to restructuring, and $1.2 million in income as a result of a reduction of our Tax Receivable Agreement liability. Amount for the three months ended June 30, 2024, includes approximately $1.0 million in severance costs related to restructuring. Amount for the nine months ended June 30, 2025 includes $4.5 million in severance costs related to restructuring and $1.2 million in income as a result of a reduction of our Tax Receivable Agreement liability. Amount for the nine months ended June 30, 2024 includes approximately $1.0 million in severance costs related to restructuring, $1.2 million of costs related to the termination of the Revolving Credit Agreement (as defined below) and $0.8 million in costs related to the December 2023 underwritten public offering.

	Three Months Ended June 30,		**Nine Months Ended June 30,**	
($ in thousands)	**2025**	**2024**	**2025**	**2024**
Total revenue	$ 602,533	$ 483,317	$ 1,220,939	$ 1,470,414
Cost of goods and services	513,434	400,272	1,068,057	1,286,803
Gross profit	89,099	83,045	152,882	183,611
Gross profit margin %	14.8 %	17.2 %	12.5 %	12.5 %
Add:				
Stock-based compensation[(a)]	636	824	2,154	3,204
Depreciation and amortization	2,734	770	5,388	1,776
Other non-recurring expenses[(b)]	307	—	606	—
Adjusted Gross Profit	$ 92,776	$ 84,639	$ 161,030	$ 188,591
Adjusted Gross Profit Margin %	15.4 %	17.5%	13.2 %	12.8%

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

(b) Amount relates to severance costs related to restructuring.

($ in thousands)	Nine Months Ended June 30, 2025	2024
Net cash (used in) provided by operating activities	$ (411,281)	$ 69,156
Less: Purchase of property and equipment	(10,024)	(4,838)
Free Cash Flow	$ (421,305)	$ 64,318

Results of Operations

Comparison of the three and nine months ended June 30, 2025 and 2024

The following table sets forth our operating results for the periods indicated.

	Three Months Ended June 30,				Nine Months Ended June 30,			
($ in thousands)	2025	2024	Change	Change %	2025	2024	Change	Change %
Total revenue	$ 602,533	$ 483,317	$ 119,216	25 %	$ 1,220,939	$ 1,470,414	$ (249,475)	(17)%
Costs of goods and services	513,434	400,272	113,162	28 %	1,068,057	1,286,803	(218,746)	(17)%
Gross profit	89,099	83,045	6,054	7 %	152,882	$ 183,611	(30,729)	(17)%
Gross profit margin %	14.8%	17.2%			12.5%	12.5%		
Operating expenses:								
Research and development	26,011	14,976	11,035	74 %	65,325	47,843	17,482	37 %
Sales and marketing	19,822	14,773	5,049	34 %	59,213	41,271	17,942	43 %
General and administrative	35,603	45,106	(9,503)	(21)%	113,722	126,901	(13,179)	(10)%
Depreciation and amortization	3,628	3,624	4	— %	9,386	8,589	797	9 %
Interest expense (income), net	1,083	(1,300)	2,383	NM	733	(4,554)	5,287	NM
Other (income) expense, net	(8,519)	562	(9,081)	NM	(4,315)	(410)	(3,905)	952 %
Income (loss) before income taxes	$ 11,471	$ 5,304	$ 6,167	116 %	$ (91,182)	$ (36,029)	(55,153)	153 %
Income tax expense	4,577	4,229	348	8 %	869	1,328	(459)	(35)%
Net income (loss)	$ 6,894	$ 1,075	$ 5,819	541 %	$ (92,051)	$ (37,357)	(54,694)	146 %

NM - Not meaningful

Total Revenue

Total revenue increased by $119.2 million, or 25%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in total revenue for the three months ended June 30, 2025 was mainly attributable to an increase in revenue from our battery-based energy storage products and solutions which was primarily driven by increased volumes of Gridstack solutions projects fulfilled due to timing based on customer schedules and due to the pronounced backend nature of expected revenue for the fiscal year 2025 compared to the revenue distribution seen in fiscal year 2024.

Total revenue decreased by $249.5 million, or 17%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The decrease in total revenue for the nine months ended June 30, 2025 was mainly attributable to a decrease in revenue from our battery-based energy storage products and solutions which was primarily driven by decreased volumes of Gridstack solutions projects fulfilled due to timing based upon customer schedules and due to the pronounced backend nature of expected revenue for the fiscal year 2025 compared to the revenue distribution seen in fiscal year 2024.

Costs of Goods and Services

Cost of goods and services increased by $113.2 million, or 28%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in cost of goods and services for the three months ended June 30, 2025 was mainly attributable to the increased volumes of Gridstack solutions projects fulfilled due to timing based on customer schedules as discussed under“Revenue” above.

Cost of goods and services decreased by $218.7 million, or 17%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The decrease in cost of goods and services for the nine months ended June 30, 2025 was mainly attributable to the decreased volumes of Gridstack solutions projects fulfilled due to timing based upon customer schedules as discussed under “Revenue” above.

Gross Profit and Gross Profit Margin

Gross profit increased by $6.1 million, or 7%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in gross profit for the three months ended June 30, 2025 was primarily due to increased volumes of Gridstack solutions projects fulfilled. Gross profit margin decreased slightly for the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily due to a net decrease in gross margins on our portfolio of Gridstack solutions projected delivered during the period due to performance.

Gross profit decreased by $30.7 million, or 17%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The decrease in gross profit for the nine months ended June 30, 2025 was primarily due to decreased volumes of Gridstack solutions projects fulfilled due to timing based upon customer schedules. Gross profit margin remained relatively consistent from the nine months ended June 30, 2025 compared to the nine months ended June 30, 2024.

Research and Development Expenses

Research and development expenses increased by $11.0 million, or 74%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in research and development expenses for the three months ended June 30, 2025 was primarily attributable to (i) a $8.9 million increase in expenditures for materials and supplies and consulting services related to our U.S. battery module manufacturing and Smartstack and (ii) a $1.9 million increase in salaries and personnel-related expenses, including stock-based compensation, due to an increase in headcount.

Research and development expenses increased by $17.5 million, or 37%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The increase in research and development expenses for the nine months ended June 30, 2025 was primarily attributable to (i) a $13.3 million increase in expenditures for materials and supplies and consulting services related to our U.S. battery module manufacturing and Smartstack and (ii) a $3.9 million increase in salaries and personnel-related expenses, including stock-based compensation, due to an increase in headcount.

Sales and Marketing Expenses

Sales and marketing expenses increased by $5.0 million, or 34%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in sales and marketing expenses for the three months ended June 30, 2025 was primarily attributable to (i) a $2.4 million increase in salaries and personnel-related expenses, including stock-based compensation, due to an increase in headcount and (ii) a $1.2 million increase in information technology cost allocations.

Sales and marketing expenses increased by $17.9 million, or 43%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The increase in sales and marketing expenses for the nine months ended June 30, 2025 was primarily attributable to (i) a $13.1 million increase in salaries and personnel-related expenses, including stock-based compensation, due to an increase in headcount and (ii) a $2.5 million increase in information technology cost allocations.

General and Administrative Expenses

General and administrative expenses decreased by $9.5 million, or 21%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The decrease in general and administrative expenses was primarily attributable to a $11.0 million decrease in salaries and personnel-related expenses, including stock-based compensation, due to a decrease in headcount.

General and administrative expenses decreased by $13.2 million, or 10%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The decrease in general and administrative expenses was primarily attributable to a $15.5 million decrease in salaries and personnel-related expenses, including stock-based compensation, due to a decrease in headcount

Depreciation and Amortization

Depreciation and amortization were relatively flat for the three months ended June 30, 2025, compared to the three months ended June 30, 2024.

Depreciation and amortization increased by $0.8 million, or 9% for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024, primarily attributable to an increases in amortization of capitalized software.

Interest Expense (Income), Net

Interest expense (income), net increased by $2.4 million in the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily attributable to the interest expense of $2.7 million recognized for the 2030 Convertible Senior Notes (as defined below).

Interest expense (income), net increased by $5.3 million in the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024, primarily attributable to the interest expense of $5.9 million recognized for the 2030 Convertible Senior Notes (as defined below).

Other (Income) Expense, Net

Other (income) expense, net increased by $9.1 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in other (income) expense, net for the three months ended June 30, 2025 was attributable to a $9.1 million net increase in favorable foreign currency exchange gains on monetary assets and liabilities period over period.

Other income, net increased by $3.9 million, or 952% for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The increase in other income, net for the nine months ended June 30, 2025 was primarily attributable to a $3.8 million net increase in favorable foreign currency exchange gains on monetary assets and liabilities period over period.

Income Tax Expense

Income tax expense increased by $0.3 million, or 8%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in income tax expense for the three months ended June 30, 2025 was primarily attributable to an increase in pre-tax income in foreign tax jurisdictions without historical losses.

Income tax expense decreased by $0.5 million, or 35%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The decrease in income tax expense for the nine months ended June 30, 2025 was primarily attributable to an increase in global pre-tax losses.

Net Income (Loss)

Net income increased by $5.8 million, or 541%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in net income for the three months ended June 30, 2025 was primarily attributable to (i) an increase in “Gross profit,” (ii) a decrease in “General and administrative expenses,” and (iii) an increase in “Other (income) expense, net,” partially offset by an increase in “Research and development expenses,” each as described above.

Net loss increased by $54.7 million, or 146%, for the nine months ended June 30, 2025, compared to the nine months ended June 30, 2024. The increase in net loss for the nine months ended June 30, 2025 was primarily attributable to (i) a decrease in “Gross profit,” (ii) an increase in “Sales and marketing expenses,” and (iii) an increase in “Research and development expenses,” each as described above.

Liquidity and Capital Resources

Since inception and through June 30, 2025, our principal sources of liquidity have been the proceeds from our initial public offering (“IPO”), our cash and cash equivalents from operations, short-term borrowings, borrowings available under our debt agreements, proceeds from the issuance of the 2030 Convertible Senior Notes (as defined below), supply chain financing, capital contributions from AES Grid Stability, LLC (“AES Grid Stability”) and Siemens Industry, LLC (“Siemens Industry”) and proceeds from the investment by QIA Florence Holdings, LLC, an affiliate of Qatar Holding LLC in 2021, proceeds from short term investments, borrowings against note receivables, and proceeds from sale of accounts receivable under the MRPA (as defined below).

We believe our existing cash and cash equivalents, which includes proceeds from our IPO, cash flows from operations, sales of accounts receivable under MRPA, and proceeds from the issuance of the 2030 Convertible Senior Notes, our supply chain financing arrangements, and availability under our 2024 Revolver (as defined below) will be sufficient to meet our expense and capital requirements for at least the next 12 months following the filing of this Report.

Our capital requirements, and ability to generate cash flow, have been and may in the future vary materially from those planned and will depend on many factors, including our rate of revenue growth, the timing and extent of our growth initiatives, our introduction of new products, services, and digital application offerings and related costs and expenses, and overall regulatory and macroeconomic conditions, including, among others, factors relating to inflation, interest rate environment, impacts of tariffs and trade restrictions, labor shortages, supply chain disruptions, changing consumer behavior, increased competition, and pandemics like COVID-19. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and cash requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilutions to our stockholders. The incurrence of additional debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations, and financial condition.

2030 Convertible Senior Notes

In December 2024, the Company issued $400.0 million aggregate principal amount of 2.25% convertible senior notes due 2030 (the “2030 Convertible Senior Notes”). The 2030 Convertible Senior Notes were issued pursuant to, and are governed by, an indenture, dated as of December 12, 2024, between the Company and UMB Bank, National Association, as trustee (the “Indenture”). The net proceeds from the issuance of the 2030 Convertible Senior Notes were $389.4 million, net of $10.6 million of debt issuance costs.

In connection with the 2030 Convertible Senior Notes, the Company purchased capped calls with certain financial institutions pursuant to capped call confirmations (collectively the “Capped Calls”). The premiums paid for the purchases of the Called Calls were $29.0 million. The Capped Calls have an initial strike price of approximately $21.35 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2030 Convertible Senior Notes. The Capped Calls have an initial cap price of $28.74 per share, subject to certain adjustments substantially similar to those applicable to the corresponding 2030 Convertible Senior Notes.

For further discussion of the 2030 Convertible Senior Notes and the Capped Calls, refer to “Note 12- Convertible Senior Notes, Net” to our condensed consolidated financial statements included elsewhere in this Report.

Supply Chain Financing

We provide certain of our suppliers with access to two different supply chain financing programs through two different third-party financing institutions (each a “SCF Bank”). These supply chain financing (“SCF”) programs allows us to seek extended payment terms with our suppliers and allows our suppliers to monetize their receivables prior to the payment due date, subject to a discount. Once a supplier elects to participate in either program and reaches an agreement with the respective SCF Bank, the supplier elects which individual invoices to sell to the respective SCF Bank. We then pay the respective SCF Bank on the applicable due date. We have no economic interest in a supplier’s decision to sell a receivable to the SCF Banks. The agreements between our suppliers and the SCF Banks are solely at their discretion and are negotiated directly between them. Under our original supply chain financing arrangement (the “Original SCF Facility”), our suppliers’ ability to continue using such agreements is primarily dependent upon the strength of our financial condition and guarantees issued by The AES Corporation and Siemens Corporation, a subsidiary of Siemens AG, pursuant to the terms of the Credit Support and Reimbursement Agreement (as defined below). As of June 30, 2025, The AES Corporation and Siemens Corporation issued guarantees of $50.0 million each, for a total of $100.0 million, to the original SCF Bank on our behalf. Under the new $150.0 million supply chain financing arrangement entered into on August 8, 2025 (the “New SCF Facility”), we are required to maintain a liquidity ratio of 2:1 as of the last day of each calendar month. Liquidity ratio is defined as the ratio of (i) liquidity to (ii) the sum of (x) the aggregate outstanding notional amount of all receivables, bills of exchange or similar negotiable instruments purchased by the original SCF Bank under the Original SCF Facility and (y) the aggregate outstanding notional amount of payables outstanding under this New SCF Facility. Liquidity under the New SCF Facility includes the Company’s cash and cash equivalents and aggregate availability under the Company’s committed credit facilities, including the 2024 Revolver. Under the New SCF Facility, the Company does not provide secured legal assets or other forms of guarantees under this arrangement, nor does any of the Company’s affiliates.

Shelf Registration Statement

On August 11, 2023, we filed an automatic shelf registration statement on Form S-3 with the SEC (the "Form S-3") which became effective upon filing and will remain effective through August 11, 2026, subject to our continued eligibility to use such form. The Form S-3 allows us to offer and sell from time-to-time Class A common stock, preferred stock, depository shares, debt securities, warrants, purchase contracts or units comprised of any combination of these securities for our own account and allows certain selling stockholders to offer and sell 135,666,665 shares of Class A common stock in one or more offerings.

The Form S-3 is intended to provide us flexibility to conduct registered sales of our securities, subject to market conditions, and our future capital needs. The terms of any future offering under the Form S-3 will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

Revolving Credit Facility

We entered into a credit agreement for a revolving credit facility (the "Revolver") on November 1, 2021, by and among Fluence Energy, LLC, as the borrower, Fluence Energy Inc., as a parent guarantor, the subsidiary guarantors party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent and collateral agent (the "Revolving Credit Agreement"). The aggregate amount of commitments was $200.0 million. The Revolver was originally scheduled to mature on November 1, 2025. The Revolving Credit Agreement was terminated effective November 22, 2023, in conjunction with the entry into the ABL Credit Agreement (as further described below), and at such time, the Company prepaid all amounts outstanding under the Revolver and terminated all commitments thereunder. No penalties were required to be paid as a result of the termination.

For further discussion of the Revolver, refer to "Note 11 - Debt" to our unaudited condensed consolidated financial statements included elsewhere in this Report.

Asset-Based Lending Facility

On November 22, 2023, the Company entered into an asset-based syndicated credit agreement (the "ABL Credit Agreement") by and among Fluence Energy, LLC, as parent borrower, Fluence Energy, Inc., as parent, the other borrowers party thereto, the other guarantors party thereto, the lenders party thereto (the "ABL Lenders"), and Barclays Bank PLC, as administrative agent, which was amended from time to time, which provided for revolving commitments in an aggregate principal amount of $400.0 million (the "ABL Facility"). The ABL Facility was secured by (i) a first priority pledge of Fluence Energy, Inc.'s equity interests in Fluence Energy, LLC and (ii) first priority security interests in, and mortgages on, substantially all tangible and intangible personal property and material fee-owned real property of Fluence Energy, Inc., Fluence Energy, LLC, and Fluence Energy Global Production Operation, LLC, in each case, subject to customary exceptions and limitations. Borrowings under the ABL Facility were scheduled to mature, and lending commitments thereunder would terminate, on November 22, 2027, which remains the maturity date of borrowings under the 2024 Revolver. As of the time of our entry into Amendment No. 3 to the ABL Credit Agreement (as discussed below), there were no outstanding borrowings under the ABL Facility or letters of credit outstanding.

For further discussion of the ABL Credit Agreement, refer to "Note 11 - Debt" to our consolidated financial statements included elsewhere in this Report.

2024 Revolver

On August 6, 2024, Fluence Energy, Inc. entered into Amendment Number Three ("Amendment No. 3") to that certain ABL Credit Agreement by and among Fluence Energy, LLC, as parent borrower, the Company, as parent, the other borrowers party thereto, the other guarantors party thereto, the lenders party thereto, and Citibank, N.A., as administrative agent (as successor to Barclays Bank PLC) (such agreement, as so amended, the "2024 Credit Agreement") in order to (i) convert the existing ABL Facility to a senior secured cash flow revolving credit facility in an initial aggregate principal amount of up to $500.0 million (the "2024 Revolver"), (ii) replace Barclays Bank PLC as administrative agent under the 2024 Credit Agreement with Citibank, N.A., and (iii) make certain other modifications to the 2024 Credit Agreement as set forth therein. Capitalized terms used in this subsection that are not otherwise defined are defined in the 2024 Credit Agreement.

The 2024 Revolver is secured by (i) a first priority pledge of the Company's equity interests in Fluence Energy, LLC and Fluence Energy Global Production Operation, LLC, (ii) first priority security interests in substantially all tangible and intangible personal property of the Company, Fluence Energy, LLC, Fluence Energy Global Production Operation, LLC and certain of its foreign subsidiaries, in each case, subject to customary exceptions and limitations, and (iii) a pledge of the Company's equity interests in certain of its foreign subsidiaries and security interests in certain assets of such foreign subsidiaries.

The 2024 Credit Agreement sets forth that (i) loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus 2.00%, (ii) loans comprising each Term Benchmark Borrowing shall bear interest at the Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable, plus 3.00%, and (iii) the loans comprising each RFR Borrowing shall bear interest at the Daily Simple RFR plus 3.00%, in each instance subject to customary benchmark replacement provisions including, but not limited to, alternative benchmark rates, customary spread adjustments with respect to borrowings in foreign currencies and benchmark replacement conforming changes. Fluence Energy, LLC is required to pay to the lenders a commitment fee on the average daily unused portion of the commitments through maturity, which shall accrue at the rate of 0.50% per annum. The 2024 Credit Agreement provides for a cash draw sublimit of $150.0 million as well as a letter of credit sublimit in the amount of $500.0 million if certain conditions are met.

The 2024 Credit Agreement contains customary covenants for this type of financing, including, but not limited to, covenants that restrict our and certain of our subsidiaries' ability to: incur indebtedness; incur liens; sell, transfer, or dispose of property and assets; make investments or acquisitions; pay dividends, make distributions or other restricted payments; and engage in affiliate transactions. The 2024 Credit Agreement limits our ability to make certain payments, including dividends and distributions on Fluence Energy, LLC's equity, the Company's equity and other restricted payments. Under the terms of the 2024 Credit Agreement, Fluence Energy, LLC and its subsidiaries are currently limited in their ability to pay cash dividends to, lend to, or make other investments in the Company, subject to certain exceptions. In addition, we are required to maintain (i) through December 31, 2025, Total Liquidity of no less than $150,000,000, (ii) from January 1, 2026 and thereafter, Total Liquidity of no less than $100,000,000 or a Consolidated Leverage Ratio as of the last day of any Measurement Period not to exceed 3.50:1.00, and (iii) certain other financial requirements at each Guarantor Coverage Test Date. Such covenants are tested on a quarterly basis and upon the occurrence of other certain restricted payments, the incurrence of indebtedness, certain dispositions, and other specified transactions. As of June 30, 2025, we were in compliance with all such covenants.

The 2024 Credit Agreement contains customary events of default for this type of financing. If an event of default occurs with respect to a borrower, the lenders will be able to, among other things, terminate the commitments immediately, cash collateralize any outstanding letters of credit, declare any loans outstanding to be due and payable in whole or in part, and exercise other rights and remedies. The maturity date and the date of termination of lending commitments under the 2024 Credit Agreement both remain unchanged at November 22, 2027. As of June 30, 2025, there are no cash borrowings under the 2024 Revolver, and there are $157.5 million letters of credit outstanding under the 2024 Revolver, with remaining availability of $342.5 million, net of letters of credit issued.

Borrowings Against Note Receivable - Pledged as Collateral

In December 2022, we transferred $24.3 million in customer receivables to Standard Chartered Bank ("SCB") in the Philippines for proceeds of $21.1 million. The receivables all related to our largest customer in that country. The underlying receivables transferred were previously aggregated into a long term note, with interest, and a maturity date of September 30, 2024. In April 2023, we aggregated and transferred an additional $30.9 million in receivables into a second long term note with the same customer to SCB for proceeds of $27.0 million, upon substantially similar terms as the December 2022 transfer and with a maturity date of December 27, 2024. These transactions were treated as secured borrowings as we did not transfer the entire note receivables due from the customer to SCB. We continued to receive quarterly interest income from the customer, while SCB was responsible for collecting payments on the principal balances which represented the initial receivable balances from the customer. We had no other continuing involvement or exposure related to the underlying receivables. On September 16, 2024 and December 27, 2024, $24.3 million and $30.9 million of receivables, respectively, were paid in full, resulting in release of the corresponding notes and borrowings.

Sale of Receivables under Master Receivables Purchase Agreement

On February 27, 2024, Fluence Energy, LLC entered into the Master Receivables Purchase Agreement, by and among Fluence Energy, LLC and any other seller from time to time party thereto, as sellers and servicers, and Credit Agricole Corporate and Investment Bank ("CACIB"), as purchaser, of certain receivables on an uncommitted basis (the "MRPA"). The MRPA provides that the outstanding amount of all purchased receivables under the MRPA will not exceed $75.0 million, with sublimits for each account debtor and for certain kinds of receivables. The MRPA may be terminated by either party at any time by 30 days' prior written notice. Fluence Energy, LLC has granted CACIB a security interest in the purchased receivables, and proceeds thereof, as more fully described in the MRPA, in order to perfect CACIB's ownership interest in the purchased receivables and secure the payment and performance of all obligations of Fluence Energy, LLC to CACIB under the MRPA. The MRPA contains other customary representations and warranties and covenants.

When receivables are sold under the MRPA, they are sold without recourse, and our continuing involvement is limited to their servicing, for which the Company receives a fee commensurate with the service provided and therefore no servicing asset or liability related to these receivables was recognized for any period presented. The fair value of the sold receivables approximated their book value due to their short-term nature.

Credit Support and Reimbursement Agreement

We are party to an Amended and Restated Credit Support and Reimbursement Agreement, dated June 9, 2021, with The AES Corporation ("AES") and Siemens Industry (the "Credit Support and Reimbursement Agreement") whereby they may, from time to time, agree to furnish credit support to us in the form of direct issuances of credit support to our lenders or other beneficiaries or through their lenders' provision of letters of credit to backstop our own facilities or obligations. Pursuant to the Amended and Restated Credit Support and Reimbursement Agreement, if AES or Siemens Industry agree to provide a particular credit support (which they are permitted to grant or deny in their sole discretion), they are entitled to receipt of a credit support fee, reimbursement of actual costs and expenses incurred in having a credit support instrument issued and maintained, and reimbursement for all amounts paid to our lenders or other counterparties, payable upon demand. The Amended and Restated Credit Support and Reimbursement Agreement had an initial expiration date of June 9, 2025 (the "initial expiration date"), but will automatically and indefinitely continue thereafter pursuant to its terms until either AES or Siemens Industry terminates the agreement upon six months' prior notice. No notice of termination has been provided by the time of filing of this Report. Any credit support under the Credit Support and Reimbursement Agreement will remain in effect after any such termination until such credit support has been replaced by the Company.

Currently, the Company has outstanding performance guarantees provided by AES and Siemens Industry and their respective affiliates that guarantee Fluence's performance obligations under certain contracts with Fluence's customers. These performance guarantees are issued pursuant to the terms of the Credit Support and Reimbursement Agreement. Fluence paid performance guarantee fees to its affiliates in exchange for guaranteeing Fluence's performance obligations under certain contracts with Fluence's customers. The guarantee fees are included in "Costs of goods and services" on Fluence's condensed consolidated statements of operations. Guarantees are also issued by AES and Siemens Corporation, pursuant to the terms of the Credit Support and Reimbursement Agreement, in connection with a supplier chain financing program (as described in greater detail above).

Commitments, Contingencies, and Off-Balance Sheet Arrangements

As of June 30, 2025, the Company had outstanding bank guarantees, parent guarantees, letters of credit, and surety bonds issued as performance security arrangements for a large number of customer projects. In addition, we have a limited number of parent company guarantees and letters of credit issued as payment security to certain vendors. The Company also has certain battery purchase obligations and spending requirements under our master supply agreement with suppliers. We are also party to both assurance and service-type warranties for various lengths of time. Refer to "Note 14 - Commitments and Contingencies" to our unaudited condensed consolidated financial statements included elsewhere in this Report for more information regarding our contingent obligations, including off-balance sheet arrangements, and legal contingencies.

Historical Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for the periods presented.

	Nine months ended June 30, 2025			
($ in thousands)	**2025**	**2024**	**Change**	**Change %**
Net cash (used in) provided by operating activities	$ (411,281)	$ 69,156	$ (480,437)	694.7 %
Net cash used in investing activities	$ (20,047)	$ (13,444)	$ (6,603)	49.1 %
Net cash provided by (used in) financing activities	$ 358,645	$ (5,767)	$ 364,412	(6318.9)%

Net cash flows used in operating activities were $411.3 million for the nine months ended June 30, 2025, compared to net cash provided by operating activities of $69.2 million for the nine months ended June 30, 2024. The $480.4 million increase in net cash used in operating activities period over period was primarily due to a decrease in working capital balances of $422.2 million and an increase in net loss of $54.7 million. Below we describe in more detail the cash flows (used in) provided by operating activities for each period:

- Net cash flows used in operating activities of $411.3 million for the nine months ended June 30, 2025 were primarily due to (i) net loss of $92.1 million, (ii) increases in inventory of $469.7 million due to cash expenditures on inventory, and (iii) decreases in accounts payable of $180.8 million and current accruals and provisions of $118.4 million due to the timing of payments to various vendors. These cash outflows were partially offset by net positive effects of changes in customer contract assets and liabilities. Specifically, deferred revenue, inclusive of related parties, increased in aggregate by $274.1 million and receivables, inclusive of trade, unbilled accounts receivable and receivables from related parties decreased in aggregate by $291.3 million due to timing of various customer project billings and cash collections in accordance with contract milestone payment schedules.

- Net cash flows provided by operating activities of $69.2 million for the nine months ended June 30, 2024 were primarily driven by (i) increases in accounts payable of $256.3 million due to timing of payments to various vendors, and (ii) net positive effects of changes in customer contract assets and liabilities. Specifically, deferred revenue, inclusive of related parties increased by $57.5 million and receivables, inclusive of trade, unbilled accounts receivable and receivables from related parties decreased by $59.5 million due to timing of various customer project billings and cash collections in accordance with contract milestone payment schedules. These cash inflows were partially offset by (i) an increase in inventory, impacting cash flow negatively by $257.9 million, and (ii) net loss of $37.4 million.

Net cash flows used in investing activities were $20.0 million for the nine months ended June 30, 2025, which were due to purchases of property and equipment of $10.0 million and capital expenditures on software of $10.0 million.

Net cash flows used in investing activities were $13.4 million for the nine months ended June 30, 2024, which were due to capital expenditures on software of $8.6 million and to purchases of property and equipment of $4.8 million.

Net cash flows provided by financing activities were $358.6 million for the nine months ended June 30, 2025, which were primarily related to the proceeds received from the issuance of the 2030 Convertible Senior Notes of $400.0 million, partially offset by (i) premiums paid for the purchases of the Capped Calls of $29.0 million and (ii) payments for the debt issuance costs of $12.1 million, primarily related to the 2030 Convertible Senior Notes.

Net cash flows used in financing activities were approximately $5.8 million for the nine months ended June 30, 2024, which were primarily due to $5.0 million in payments related to debt issuances costs, primarily for the ABL Facility, and $3.9 million in payments for a previously acquired company (Nispera), partially offset by $4.4 million of proceeds from the exercise of stock options.

Tax Receivable Agreement

In connection with the IPO, we entered into the Tax Receivable Agreement with Fluence Energy, LLC and Siemens Industry and AES Grid Stability (together, the "Founders"). Under the Tax Receivable Agreement, we are required to make cash payments to the Founders equal to 85% of the tax benefits, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (1) the increases in our share of the tax basis of assets of Fluence Energy, LLC and its subsidiaries resulting from any redemptions or exchanges of LLC Interests from the Founders and certain distributions (or deemed distributions) by Fluence Energy, LLC; and (2) certain other tax benefits arising from payments under the Tax Receivable Agreement. The payment obligation under the Tax Receivable Agreement is an obligation of Fluence Energy, Inc. and not of Fluence Energy, LLC. We expect to use distributions from Fluence Energy, LLC to fund any payments that we will be required to make under the Tax Receivable Agreement. To the extent we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. Fluence Energy, Inc. expects to benefit from the remaining 15% of cash tax benefits, if any, it realizes from such tax benefits. For purposes of the Tax Receivable Agreement, the cash tax benefits will be computed by comparing the actual income tax liability of Fluence Energy, Inc. to the amount of such taxes that Fluence Energy, Inc. would have been required to pay had there been no such tax basis adjustments of the assets of Fluence Energy, LLC or its subsidiaries as a result of redemptions or exchanges and had Fluence Energy, Inc. not entered into the Tax Receivable Agreement.

On June 30, 2022, Siemens Industry, Inc. exercised its redemption right pursuant to the terms of the Third Amended and Restated Limited Liability Agreement of Fluence Energy, LLC, dated October 27, 2021, as may be amended from time to time (the “LLC Agreement”) with respect to its entire holding of 58,586,695 LLC Interests of Fluence Energy, LLC, together with the corresponding cancellation of an equivalent number of shares of our Class B-1 common stock, par value $0.00001 per share (“Class B-1 common stock”). On December 8, 2023, AES Grid Stability exercised its redemption right pursuant to the terms of the LLC Agreement with respect to 7,087,500 LLC Interests of Fluence Energy, LLC, together with the corresponding cancellation of an equivalent number of shares of our Class B-1 common stock.

The redemptions resulted in increases in the tax basis of the assets of Fluence Energy, LLC and certain of its subsidiaries. The increases in tax basis and tax basis adjustments increases (for tax purposes) the depreciation and amortization deductions available to Fluence Energy, Inc. and, therefore, may reduce the amount of U.S. federal, state, and local tax that Fluence Energy, Inc. would otherwise be required to pay in the future, although the Internal Revenue Service may challenge all or part of the validity of that tax basis, and a court could sustain such a challenge.

As a result of the tax basis adjustment of the assets of Fluence Energy, LLC and its subsidiaries upon the redemptions and our possible utilization of certain tax attributes, the payments that we may make under the Tax Receivable Agreement will be substantial. The redemptions will result in future tax savings of $137.6 million. The Founders will be entitled to receive payments under the Tax Receivable Agreement equaling 85% of such amount, or $117 million; assuming, among other factors, (i) we will have sufficient taxable income to fully utilize the tax benefits; (ii) Fluence Energy, LLC is able to fully depreciate or amortize its assets; and (iii) there are no material changes in applicable tax law. The payments under the Tax Receivable Agreement are not conditioned upon continued ownership of us by the Founders. Although the timing and extent of future payments could vary significantly under the Tax Receivable Agreement, we anticipate funding payments from the Tax Receivable Agreement from cash flow from operations of our subsidiaries, available cash or available borrowings under any future debt agreements.

With the exception of an estimated $0.3 million of Tax Receivable Agreement payment realized as of June 30, 2025, we have determined it is not probable payments under the Tax Receivable Agreement would be made, given the projected inability to fully utilize the related tax benefits over the term of the agreement. Therefore, the Company has not recognized the remaining liability. Should we determine that the additional Tax Receivable Agreement payment is probable, a corresponding liability will be recorded and as a result, our future results of operations and earnings could be impacted as a result of these matters.

Critical Accounting Policies and Use of Estimates

Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. In the preparation of these financial statements, we consider an accounting judgment, estimate, or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates, and assumptions could have a material impact on the consolidated financial statements.

During the nine months ended June 30, 2025, there were no significant changes in application of our critical accounting policies or estimation procedures from those described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates” in our 2024 Annual Report and the notes to the audited consolidated financial statements appearing elsewhere in the 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes with respect to our exposure to market risk as disclosed in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2024 Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance of achieving the objective that information in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized, and reported within the time periods specified and pursuant to the requirements of the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2025, the end of the period covered by this Report. Based upon that evaluation, management concluded that, as of June 30, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we may be involved in litigation, government investigations, or other regulatory or legal proceedings relating to claims that arise out of our operations and business that cover a wide range of matters, including, but not limited to, securities litigation, intellectual property matters, commercial and contract disputes, insurance and property damage claims, labor and employment claims, personal injury claims, product liability claims, environmental claims, and warranty claims. Currently, there are no claims or proceedings against us that we believe will have a material adverse effect on our business, financial condition, results of operations, or cash flows. However, the results of any current or future litigation, government investigations, or other regulatory or legal proceedings cannot be predicted with certainty, and regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of claims, litigation, government investigations, and other regulatory or legal proceedings.

For a description of our material pending legal contingencies, please see “Note 14 - Commitments and Contingencies”, to the unaudited condensed consolidated financial statements included elsewhere in this Report.

Item 1A. Risk Factors

There have been no material changes with respect to our risk factors previously disclosed in our 2024 Annual Report, other than as set forth below. You should carefully consider the risks described in Item 1A. "Risk Factors" of our 2024 Annual Report and the risk factors below along with our unaudited condensed consolidated financial statements and the related notes, as well as our other public filings with the SEC, before making an investment decision. Our business, financial condition, and results of operations could be materially and adversely affected by any of these risks or uncertainties.

Our business and customer demand for our offerings depends in part on government incentives and/or regulations relating to or mandating the use of renewable energy and/or energy storage. The reduction, elimination, modification, expiration, or determination of inapplicability of such government incentives or regulations or the potential of any such reduction, elimination, modification, expiration, or determination of inapplicability of government incentives or regulations has and could in the future impact demand for our energy storage solutions, which could lead to adverse effects to our business, operating results, and cash flows.

Federal, state, local, and foreign government bodies provide incentives and/or regulations relating to mandating or encouraging use of renewable energy and/or energy storage to owners, end users, distributors, system integrators, and manufacturers of renewable energy and energy storage products and solutions to promote renewable electricity and energy storage in the form of rebates, tax credits, other financial incentives, procurement requirements and market structures. The range and duration of these incentives and regulations varies widely by jurisdiction and type of asset involved. Our customers typically use our energy storage solutions for grid-connected applications wherein power is sold under a power purchase agreement or into an organized electric market. The reduction, elimination, modification, expiration, or determination of inapplicability of government incentives or regulations related to mandating or encouraging the use of grid-connected renewable electricity and/or energy storage or the potential of any such reduction, elimination, modification, expiration, or determination of inapplicability of government incentives or regulations has and may in the future negatively affect the competitiveness of our offerings and has impacted and may in the future impact the growth of our industry and our business. Such government incentives and/or regulations may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as renewable energy adoption rates increase or as a result of legal challenges, the adoption of new statutes or regulations or changes to existing regulations, new regulatory guidance, or the passage of time. Reductions, modification, terminations, or determination of inapplicability of government incentives and/or regulations may occur without warning. There is no guarantee that such policies, regulations, and incentives will continue to exist in current form, if at all. The reduction, modification, elimination, or expiration or the potential of any such reduction, elimination, modification, expiration, of such government incentives or regulations or determination of inapplicability of such government incentives or regulations has impacted and may in the future impact customer demand for our offerings, may lead to a loss of customers and potential customer projects, and has and may in the future harm our business, operating results, and cash flows.

For example, in August 2022, the United States passed the Inflation Reduction Act of 2022 (the "IRA"), which included incentives that supported the adoption of energy storage solutions, including a new "technology neutral" Section 48E investment tax credit (the "ITC") and Section 45Y production tax credit (the "PTC"), changes to the previous Section 48 non-"technology neutral" investment tax credit and Section 45 production tax credit, and a new Section 45X advanced manufacturing production tax credit (the "AMPC"). On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was signed into law, which significantly modified certain provisions of the IRA, including those related to energy storage. The OBBBA includes long-term continued availability of the ITC for energy storage projects and the AMPC for cells, modules, and inverters in energy storage systems. Certain tax credits, notably including the ITC for storage, will begin to phase down for projects beginning construction after 2033. The prevailing wage and apprenticeship requirements enacted under the IRA continue to apply under the OBBBA in order for the project owner to receive the full ITC value and the credit value can be further increased if the project owner also qualifies for a domestic content bonus credit and energy communities bonus credit. The OBBBA amended the provisions of the domestic content bonus credit for the ITC such that the project owner now must achieve higher minimum domestic content thresholds. In addition, the OBBBA amended the ITC and AMPC such that there are new foreign entity of concern ("FEOC") requirements on such tax credits, which are intended to deny tax credits to projects that are owned or controlled by certain foreign entities, or that source components from or make payments to such entities, including, but not limited to, Chinese entities. There is continuing uncertainty on certain aspects of the IRA and related guidance and the OBBBA and forthcoming related guidance. Such uncertainty related to the IRA has in the past caused certain customers to take an extended period to evaluate, negotiate, and enter into energy storage arrangements, which has impacted our business and results of operations. Current uncertainty related to changes imposed by the OBBBA may in the future similarly cause customers to delay contracting decisions or may cause customers to delay or cancel existing projects as they navigate such uncertainty, which could have a material negative effect on our business and results of operations.

If we are unable to provide energy storage solutions that qualify our customers for the domestic content bonus credit under the OBBBA on the timeline and in such quantities that we currently anticipate, then there may be negative impacts to our reputation, ability to compete in the market, demand from our customers, and our financial condition. Our competitors may be able to build a more robust domestic supply chain than us and may be able to offer customers U.S. domestic content products in greater quantity, with better pricing, and on a faster timeline than we may be able to if our production of our battery components in the U.S. (e.g., modules, cells, enclosures, and thermal management systems) is delayed or hindered or otherwise negatively impacted (including through the new FEOC restrictions under the OBBBA). Such impacts would adversely impact our brand and ability to compete, and in turn would adversely affect our results of operations.

The new FEOC restrictions apply to virtually all key tax credits under the OBBBA and come in two forms: (i) in tax years beginning after July 4, 2025, the taxpayer taking the tax credit may not be a prohibited foreign entity ("PFE") or under "effective control" by a PFE and (ii) for ITC projects that begin construction after 2025 and AMPC eligible components that are sold in tax years beginning after July 4, 2025, the project must source a certain percentage of material (which increases over time) from non-PFEs (which is otherwise known as the material assistance component). On July 7, President Trump issued an executive order titled "Ending Market-Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources," which, among other things, tasked the U.S. Department of Treasury with promptly implementing the enhanced FEOC restrictions established by the OBBBA to ensure FEOC ownership/control and material assistance restrictions are implemented within the compliance timeframe. We believe that under the current language of the OBBBA, which is subject to final rules and further guidance, certain of our US domestic suppliers may be impacted by these new FEOC restrictions. In the event any of our US domestic suppliers is unable to meet the FEOC requirements necessary to qualify for tax credits under the ITC and AMPC by the applicable deadlines set forth under the OBBBA, which remains subject to further implementing regulations and guidance, our reputation, ability to compete in the market, and our financial condition may be adversely impacted. There is no guarantee that the steps, plans, and/or strategy we and our U.S. domestic suppliers are implementing will be successful in mitigating the risks related to the FEOC requirements under the OBBBA, and any further related guidance or interpretation thereof or that any such actions taken to address these FEOC concerns will be implemented and completed prior to applicable compliance deadlines under the OBBBA for the applicable tax credits. Further, there are limited U.S. suppliers for certain components of our domestic content products. If a domestic supplier is unable to provide us with components that are free from any FEOC concerns and we cannot find a substitute source for such components from another U.S. supplier in a timely manner, at a competitive price, or in such quantities that we require that are OBBBA-compliant, then there may be negative impacts on the ability to qualify for the ITC and/or the AMPC and we may be unable to meet obligations under customer contracts for our projects. There would then be corresponding negative impacts to our business, results of operations, and reputation. In addition, there is currently uncertainty on how the FEOC restrictions will be implemented and interpreted by the administration. Forthcoming guidance related to the OBBBA and FEOC requirements from the U.S. Department of Treasury could be drafted in such manner that may be adverse to the Company's interests and FEOC restrictions and which may introduce credit qualification uncertainty that could impact our future projects.

The full impact of the modifications to the tax credits and FEOC restrictions in the OBBBA, its accompanying guidance, and potential future changes in law that may apply to our business and operations as well as our customers' and suppliers' businesses cannot be known with certainty and we may not recognize the full extent of benefits we currently anticipate, which may materially and adversely impact our business, financial condition, and results of operations. We are continuing to evaluate the potential overall impact and applicability of these tax credits, as modified by the OBBBA, and any potential future changes in law on our business and operations.

The international markets in which we operate or may operate in the future have or may in the future put in place policies to promote renewable energy, including energy storage. These incentives and mechanisms vary from country to country. In seeking to achieve growth internationally, we have made and may in the future make investments that, to some extent, rely on governmental incentives and support in a new market. We may not be able to optimize the benefits offered by these incentives or realize the growth that we expect from investments in the incentives, particularly in relation to competitors whose products might benefit disproportionately from these incentives. There is no assurance that these governments will continue to provide sufficient incentives and support to the energy storage industry and that the industry in any particular country will not suffer significant downturns in the future as the result of changes in public policies or government interest in renewable energy, any of which would adversely affect demand for our energy storage solutions and services.

Changes in the global trade environment, including the imposition of new tariffs, changes to existing tariffs, and related general economic uncertainty, has impacted and may in the future impact our business and operations and has and may in the future adversely affect the amount or timing of our revenues, results of operations, and cash flows in the future.

Beginning in early 2025, the United States government imposed significant new tariffs on nearly all products and components imported into the United States (including certain materials and components used in our energy storage solutions) from nearly all other countries and may propose additional tariffs, increases, or modifications to those currently in place. These new tariff rates have continued to fluctuate since the time of implementation in early 2025 and the exact scope of any such tariffs that will remain in place or ultimately be implemented is not known and the ultimate impacts on our business and operations is uncertain.

Additionally, in May 2024, the Biden administration announced a significant shift in the tariff framework for the energy storage industry. Under this May 2024 structure, the Section 301 tariff rate on lithium-ion non-EV batteries imported from China will increase from the current 7.5% to 25%, effective January 1, 2026. This change specifically targeted "batteries" as defined by U.S. Customs and Border Protection, encompassing battery energy storage systems, modules, and certain types of cells, including those used in our energy storage solutions. Under the May 2024 structure, the Section 301 tariff rate on battery "parts"–including separators, electrolytes, cans, and electrodes remains at its current 25% level.

As of the filing date of this Report, covered imports relevant to our energy storage systems will be subject to the 10% China-specific “reciprocal tariff”, plus the current China-specific 20% “fentanyl-related tariff”, plus the 3.4% base tariff on all countries, plus the applicable Section 301 tariff. We have exposure to these Chinese tariffs, as we currently import a number of components, including battery cells from China, into the United States for customers and projects in the United States. We also import other components for our energy storage solutions from other countries as well, including Vietnam and countries in Europe, that are subject to tariff uncertainty and/or increased tariffs from the U.S. over the course of the past year. Retaliatory tariffs imposed by the United States and by other countries in response and the uncertainties surrounding domestic and foreign tariffs have impacted, and could in the future adversely impact, demand for our solutions. A large portion of our current suppliers are located outside of the United States, including certain battery suppliers in China, and there continues to be uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, and government regulations. Changes to tariffs and trade policy have impacted our supply chain and supply chain strategies, both domestically and internationally, in the past, continue to have impacts on our supply chain and supply chain strategies, and may impact our supply chain and supply chain strategies in the future. These changes has had and may in the future have an adverse impact on our results of operations and business.

There is no guarantee that the steps we have taken to ramp up domestic production of key products and components of our energy storage solutions in the United States will proceed on the anticipated timeline nor that such steps will successfully mitigate the impacts of any tariffs. We have faced and we may in the future face unanticipated costs and delays in developing our domestic supply chain, and there is no guarantee we will be able to scale domestic production to the degree in regards to volume, quality, and as quickly as would be required to avoid material adverse impacts to the business and our results of operations from changes in the trade environment.

The economic uncertainty created by the rapid recent changes in tariff policy in the United States has impacted, and may continue to adversely impact our customer contracting activity. In response to this tariff-related uncertainty, we have mutually agreed, and may in the future agree, with certain customers to delay entry into new energy storage solutions contracts and to pause active, currently signed contracts that are under project execution until there exists better visibility and certainty on the tariff environment. We may also experience cancellation of customers’ orders of our energy storage solutions in the future due to such tariff uncertainty. Such customer contracting behavior in response to the tariff-related uncertainty has adversely impacted and may in the future adversely impact our business and results of operations.

In addition, currently there are ongoing investigations into certain additional tariffs on specific imports and trade practices that may result in tariffs and/or more restrictive trade duties and restrictions on components for our energy storage solutions that we import into the U.S. from overseas. For example, there is an active anti-dumping/countervailing (“AD/CV”) proceeding before the U.S. International Trade Commission and U.S. Department of Commerce (“DOC”) regarding Chinese graphite active anode material (“AAM”) imports and downstream imports that utilize graphite AAM, which includes imports utilized in our energy storage systems. On May 20, 2025, there was a preliminary CV determination by the DOC that assigned a CV rate of 11.58%. On July 18, 2025, there was a preliminary AD determination by the DOC that assigned a “separate” AD tariff of 93.5% to certain entities and an adverse AD tariff of 102.72% to entities that are de facto controlled by the government of China. The AD/CV tariff rates and scope of imports subject to the tariffs may change at the final determination by DOC, which is expected on or by December 5, 2025. We may not be able to find alternative sourcing to replace or supplement any affected suppliers in a timely fashion and face higher pricing as a result. We are still assessing the ultimate impact these tariffs could have on our suppliers, our business, our suppliers’ pricing decisions, and are waiting for the final determination from the DOC to be issued later this calendar year. Due to the uncertainty relating to the final outcome of the various investigations, including the AD/CV proceeding described above, we cannot predict the ultimate impact the outcome of these investigations and any resulting tariffs or other trade actions could have to our business, financial condition, and results of operations.

The current tariffs and trade policy as well as future tariffs and trade policy and resulting economic conditions as well as tariff uncertainty in the markets in which we operate may materially increase costs of certain components and our inventory costs, has and may in the future impact our strategy, has impacted and may continue to impact demand for our solutions, has affected and may further negatively affect our customers, suppliers, and manufacturing partners and their own respective businesses and operations, has required and may in the future require significant attention from our management, and may significantly harm our business, prospects, financial condition, and operating results if we are unable to manage these impacts effectively.

Risks Related to the 2030 Convertible Senior Notes

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition, and results of operations and impair our ability to satisfy our obligations under the 2030 Convertible Senior Notes.

As of June 30, 2025, we had approximately $400.0 million of indebtedness outstanding under the 2030 Convertible Senior Notes, and no cash borrowings outstanding under the 2024 Revolver (excluding $157.5 million letters of credit outstanding thereunder), with remaining availability of $342.5 million, net of letters of credit issued. All borrowings and obligations under the 2024 Revolver will be effectively senior to our obligations under the 2030 Convertible Senior Notes to the extent of the value of the assets securing such borrowings and obligations, and structurally senior to the 2030 Convertible Senior Notes as the 2030 Convertible Senior Notes are not guaranteed by Fluence Energy, LLC, a borrower under the 2024 Revolver.

We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations, and financial condition by, among other things:

- making it more difficult for us to satisfy our obligations with respect to our 2030 Convertible Senior Notes and our other debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;
- increasing our vulnerability to adverse economic and industry conditions;
- exposing us to the risk of increased interest rates to the extent any of our borrowings are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

Any additional indebtedness we incur will heighten the potential for the consequences discussed above and could negatively impact our credit ratings, if any, in the future.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the 2030 Convertible Senior Notes, and our cash needs may increase in the future. In addition, the 2024 Revolver contains and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital, or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

We conduct all of our operations through our subsidiaries, including Fluence Energy, LLC, and may not be able to receive dividends or other distributions in needed amounts from our subsidiaries; Fluence Energy, Inc. is a holding company.

We conduct all of our operations through our subsidiaries, including Fluence Energy, LLC; Fluence Energy, Inc. is a holding company. Accordingly, payment of interest or repayment of principal on our indebtedness, including the 2030 Convertible Senior Notes, is significantly dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, interest payment on debt they owe to us (including interest payments on the 2.25% Intercompany Subordinated Convertible Note issued by Fluence Energy, LLC to Fluence Energy, Inc., dated December 12, 2024 (the "Intercompany Convertible Note")), debt repayment, or otherwise. None of our subsidiaries will guarantee the 2030 Convertible Senior Notes and our subsidiaries will not have any obligation to pay amounts due on the 2030 Convertible Senior Notes or to make funds available for that purpose. Noteholders are not entitled to rights under the Intercompany Convertible Note. Fluence Energy, LLC's failure to make interest payments thereunder will not itself constitute a default or event of default under the indenture governing the 2030 Convertible Senior Notes. We have pledged our interest in the Intercompany Convertible Note to secure our obligations under the 2024 Revolver, and the Intercompany Convertible Note is subordinated in right of payment to Fluence Energy, LLC's obligations under the 2024 Revolver and its other indebtedness. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the 2030 Convertible Senior Notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the agreement governing our 2024 Revolver limits the ability of certain of our subsidiaries to incur restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. Additionally, the agreement governing our 2024 Revolver limits the ability of Fluence Energy, LLC to pay dividends or make other distributions to us, and substantially limits our ability to prepay or repay the principal amount of the 2030 Convertible Senior Notes with cash, upon conversion, maturity or otherwise. Furthermore, other holders of LLC Interests are entitled to participate pro rata with Fluence Energy, Inc. in dividends from Fluence Energy, LLC. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the 2030 Convertible Senior Notes.

Higher interest rates could increase the cost of refinancing our indebtedness and could cause our debt service obligations to increase significantly.

The current high interest rate environment could adversely impact us. If interest rates remain at their current elevated levels or continue to increase, this could adversely impact our ability to refinance existing indebtedness or obtain additional debt financing on acceptable terms or at all. In addition, we expect this refinancing effort will, and future debt refinancings may, increase our debt service obligations as we refinance lower interest rate debt with higher interest rate debt.

The conditional conversion feature of the 2030 Convertible Senior Notes, if triggered, may adversely affect our financial condition and results of operations.

In the event the conditional conversion feature of the 2030 Convertible Senior Notes is triggered, noteholders will be entitled to convert the 2030 Convertible Senior Notes at any time during specified periods at their option. If one or more holders elect to convert their 2030 Convertible Senior Notes, we may, to the extent permitted by, and subject to compliance with the terms of, the agreement governing the 2024 Revolver and our other indebtedness in existence at such time, settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity.

The issuance or sale of shares of our Class A common stock, or rights to acquire shares of our Class A common stock, could depress the trading price of our Class A common stock and the 2030 Convertible Senior Notes.

We may conduct future offerings of our Class A common stock, preferred stock, or other securities that are convertible into or exercisable for our Class A common stock to finance our operations, fund acquisitions, or for other purposes. The sale of shares of our Class A common stock or other securities that are convertible into or exercisable for our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. In addition, upon conversion of the 2030 Convertible Senior Notes, we will pay consideration that consists of cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock (together with cash in lieu of any fractional shares, if applicable), at our election. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities. We have also reserved 9,500,000 shares of our Class A common stock for issuance under our 2021 Incentive Award Plan (the "2021 Equity Plan").

The Indenture governing the 2030 Convertible Senior Notes does not restrict our ability to issue additional equity securities. If we issue additional shares of our Class A common stock or rights to acquire shares of our Class A common stock, if any of our existing stockholders sells a substantial amount of our Class A common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our Class A common stock, and, accordingly, the 2030 Convertible Senior Notes may significantly decline. In addition, our issuance of additional shares of Class A common stock will dilute the ownership interests of our existing common stockholders, including noteholders who have received shares of our Class A common stock upon conversion of their 2030 Convertible Senior Notes, and any Class A common stock issued upon conversion of the 2030 Convertible Senior Notes may dilute the interests of our existing common stockholders.

The accounting method for the 2030 Convertible Senior Notes could adversely affect our reported financial condition and results.

The accounting method for reflecting the 2030 Convertible Senior Notes on our balance sheet, accruing interest expense for the 2030 Convertible Senior Notes and reflecting the underlying shares of our Class A common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In accordance with applicable accounting standards, the 2030 Convertible Senior Notes are reflected as a liability on our balance sheets, with the initial carrying amount equal to the principal amount of the 2030 Convertible Senior Notes, net of issuance costs. The issuance costs are treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the 2030 Convertible Senior Notes. As a result of this amortization, the interest expense that we expect to recognize for the 2030 Convertible Senior Notes for accounting purposes will be greater than the cash interest payments we will pay on the 2030 Convertible Senior Notes, which will result in lower reported income.

In addition, the potential dilutive shares underlying the 2030 Convertible Senior Notes are reflected in our diluted earnings per share using the "if converted" method. The denominator of diluted earnings per share for the 2030 Convertible Senior Notes is determined by multiplying the principal amount of the 2030 Convertible Senior Notes by the applicable conversion rate for the reporting period. The after-tax interest expense associated with the 2030 Convertible Senior Notes is added back to the numerator of the diluted earnings per share calculation for these purposes. However, if reflecting the 2030 Convertible Senior Notes in diluted earnings per share in this manner is anti-dilutive, then the shares underlying the 2030 Convertible Senior Notes will not be reflected in our diluted earnings per share. The application of the if-converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the 2030 Convertible Senior Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2030 Convertible Senior Notes as a current, rather than a long-term liability. This reclassification could be required even if no noteholders convert their 2030 Convertible Senior Notes and could materially reduce our reported working capital.

Provisions in the 2030 Convertible Senior Notes and the Indenture governing the 2030 Convertible Senior Notes could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the 2030 Convertible Senior Notes and its Indenture could make a third-party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a "fundamental change", then noteholders will have the right to require us to repurchase their 2030 Convertible Senior Notes for cash. In addition, if a takeover constitutes a "make-whole fundamental change" (as defined in the Indenture), then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the 2030 Convertible Senior Notes and the Indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our Class A common stock may view as favorable.

The capped call transactions may affect the value of the 2030 Convertible Senior Notes and our Class A common stock.

In connection with the 2030 Convertible Senior Notes, we entered into privately negotiated capped call transactions with the option counterparties. The capped call transactions cover, subject to customary adjustments, the number of shares of our Class A common stock underlying the 2030 Convertible Senior Notes. The capped call transactions are expected to offset the potential dilution and/or offset any cash payments we are required to make in excess of the principal amount of converted 2030 Convertible Senior Notes, as the case may be, as a result of conversion of the 2030 Convertible Senior Notes, with such offset subject to a cap.

We have been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our Class A common stock and/or purchased shares of our Class A common stock.

In addition, the counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions following the pricing of the 2030 Convertible Senior Notes and prior to the maturity of the 2030 Convertible Senior Notes (and are likely to do so (x) during any observation period related to a conversion of the 2030 Convertible Senior Notes or following any redemption or fundamental change repurchase of the 2030 Convertible Senior Notes, (y) following any other repurchase of the 2030 Convertible Senior Notes if we unwind a corresponding portion of the capped call transactions in connection with such repurchase and (z) if we otherwise unwind all or a portion of the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock.

We are subject to counterparty risk with respect to the capped call transactions.

The counterparties to the capped call transactions are financial institutions, or their affiliates, and we will be subject to the risk that one or more of the counterparties may default or otherwise fail to perform, or may exercise certain rights to terminate, their obligations under the capped call transactions. Our exposure to the credit risk of the counterparties is not secured by any collateral.

Global economic conditions have in the past resulted in the actual or perceived potential failure or financial difficulties of many financial institutions. If a counterparty to one or more capped call transactions becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transactions. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our Class A common stock increases. In addition, upon a default or other failure to perform, or a termination of obligations, by a counterparty, the counterparty may fail to deliver the shares of common stock required to be delivered to us under the capped call transactions and we may experience adverse tax consequences and more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of any of the counterparties.

In addition, the capped call transactions are complex, and they may not operate as planned. For example, the terms of the capped call transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the capped call transactions.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of our equity securities during the quarter ended June 30, 2025 that were not otherwise disclosed in a Current Report on Form 8-K.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) **Director and Officer Rule 10b5-1 Trading Arrangements**

During the three months ended June 30, 2025, no directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified, or terminated "Rule 10b5-1 trading arrangements" and/or "non-Rule 10b5-1 trading arrangements" (each as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

(a) The following exhibits are filed as part of this Report.

Exhibit No.	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit No.	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Fluence Energy, Inc.	8-K	001-40978	3.1	November 3, 2021
3.2	First Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Fluence Energy, Inc.	8-K	001-40978	3.1	December 22, 2022
3.3	Certificate of Retirement of 65,674,195 shares of Class B-1 Common Stock Fluence Energy, Inc.	8-K	001-40978	3.1	June 11, 2024
3.4	Amended and Restated Bylaws of Fluence Energy, Inc.	8-K	001-40978	3.2	November 3, 2021
31.1*	Certification of the Company's Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of the Company's Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	XBRL Taxonomy Extension Schema Document.				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				

* Filed herewith.

** This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		Fluence Energy, Inc.
Date: August 11, 2025	By:	/s/ Julian Nebreda
		Julian Nebreda *Chief Executive Officer and President* *(Principal Executive Officer)*
Date: August 11, 2025	By:	/s/ Ahmed Pasha
		Ahmed Pasha *Senior Vice President and Chief Financial Officer (Principal Financial Officer)*

CERTIFICATION

I, Julian Nebreda, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fluence Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

Fluence Energy, Inc.

By: /s/ Julian Nebreda

Julian Nebreda
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Ahmed Pasha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fluence Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2025

Fluence Energy, Inc.

By: /s/ Ahmed Pasha

Ahmed Pasha

Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Fluence Energy, Inc. (the “Company”) for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Julian Nebreda, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

By: /s/ Julian Nebreda
Julian Nebreda
Chief Executive Officer and President (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Fluence Energy, Inc. (the "Company") for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ahmed Pasha, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

By: /s/ Ahmed Pasha

Ahmed Pasha
Senior Vice President and Chief Financial Officer (Principal Financial Officer)