

Fluence Energy Inc.

Operations and financial metrics

Non-GAAP Financial Measures

Included in this document are certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted Gross Profit (Loss), which are designed to complement the financial information presented in accordance with GAAP because management believes such measures are useful to investors. Non-GAAP financial measures are not a substitute for or superior to measures of financial performance prepared in accordance with GAAP and should be not be considered as an alternative to any other. Our non-GAAP metrics have limitations as analytical tools, and you should not consider them in isolation. 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.

all numbers in \$ million, unless specified

	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Income Statement metrics										
Energy storage solutions	115	96	276	186	674	173	335	235	438	1,180
Services and Digital	1	2	2	2	7	2	8	4	4	18
Total Revenue	116	98	278	188	681	175	343	239	442	1,199
Energy Storage solutions GWh (Revenue Rec basis)					2.1	0.7	1.0	0.7	1.4	3.7
Adjusted Gross Profit²	5	1	2	8	15	(8)	(11)	2	15	(3)
% of revenue	4.1%	1.0%	0.6%	4.0%	2.2%	(4.8%)	(3.3%)	0.7%	3.4%	(0.2%)
SG&A	(11)	(13)	(16)	(20)	(61)	(25)	(31)	(33)	(37)	(126)
Platform Investment	(5)	(10)	(6)	(8)	(29)	(10)	(13)	(18)	(18)	(59)
Operating expenses	(17)	(23)	(22)	(28)	(89)	(35)	(44)	(51)	(55)	(186)
% of revenue	14.3%	23.4%	7.9%	14.7%	13.1%	20.1%	12.9%	21.4%	12.5%	15.5%
Adjusted EBITDA²	(11)	(21)	(17)	(15)	(65)	(43)	(53)	(48)	(40)	(184)
Adjusted EBITDA Before Platform Investment	(5)	(12)	(11)	(7)	(36)	(32)	(40)	(31)	(22)	(125)
GAAP metrics										
Gross Profit	5	1	(15)	(60)	(69)	(53)	(15)	(5)	11	(62)
Net Income / (loss)	(12)	(24)	(39)	(87)	(162)	(111)	(61)	(61)	(56)	(289)
Demand metrics										
Order intake	68	73	253	793	1,187	457	469	284	560	1,769
Backlog, in \$ billion	1.1	1.0	1.0	1.6	1.6	1.9	2.0	2.1	2.2	2.2
Balance sheet metrics										
Cash and cash equivalents	38	30	58	37	37	632	652	677	357	357
Restricted Cash	1	1	1	1	1	47	71	85	72	72
Investments	-	-	-	-	-	-	-	-	110	110
Total Cash	39	31	60	38	38	679	723	762	540	540
Total Recourse Debt	22	38	-	100	100	-	-	-	-	-
Shares, Class A Issued & Outstanding, in millions						54	54	114	115	115
Top of the funnel metrics (GWs and GWh)										
Energy Storage Solutions										
Orders in GW	0.1	0.1	0.3	0.8	1.3	0.6	0.5	0.3	0.5	1.9
Orders in GWh						1.4	1.5	0.4	0.6	4.0
Pipeline in GW					8.0					9.3
Energy Storage solutions Deployed, cumulative (GW)					0.9	1.0	1.2	1.5	1.8	1.8
Energy Storage solutions Deployed, cumulative (GWh)					2.2					5.0
Services										
Orders in GW	0.3	0.1	0.5	0.9	1.7	0.3	0.3	0.1	0.6	1.3
Orders in GWh						0.3	1.1	0.1	0.8	2.2
Pipeline in GW					6.2					8.8
Services attachment rate						18%	70%	29%	119%	56%
Digital Applications										
Orders in GW	0.5	0.6	0.6	1.0	2.7	0.3	2.9	0.8	0.8	4.9
Pipeline in GW					3.3	4.5	5.1	18.5	19.6	19.6
Assets Under Management										
Services - storage assets in GWh					2.1	3.0	2.8	3.9	5.0	5.0
Digital - storage assets in GW					-	-	0.0	0.2	0.3	0.3
Digital - non-storage assets in GW					3.1	3.9	4.2	12.6	13.4	13.4
Digital - assets in GW					3.1	3.9	4.2	12.8	13.7	13.7

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Note 2: Non-GAAP. Refer to prior investor presentations and earnings releases available on the Fluence Investor Relations website at <https://ir.fluenceenergy.com/> for reconciliations to the comparable GAAP financial measures.

Please see our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at <https://ir.fluenceenergy.com/>

1. Basis of Preparation

Note 1: Due to rounding, numbers presented may not add up precisely to totals provided.

Note 2: All numbers presented are reflected as of December 13, 2022.

Note 3: Correlation between GW and GWh numbers depends on duration (in hours) of orders or projects reported in each period and may be not linear between the periods.

Note 4: Methodology used for definition of some metrics may be revised in the future as appropriate and details of changes, if any, will be disclosed accordingly.

2. Definitions

Revenue in MWh

Calculated in line with revenue recognition basis in \$, based of projects data as of September 30, 2022.

Solutions

Solutions are defined as energy storage products as this is more reflective of offering provided. Could be also referred as Hardware Solutions in some cases and should never be interpreted as "batteries offerings".

SG&A

Represents Sales & Marketing and General & Administrative expenses, excluding stock compensation expenses. Includes corporate opex spend.

Platform Investment

Represents Research & Development and Depreciation & Amortization expenses, excluding stock compensation expenses.

Operating Expenses

Include SG&A and Platform Investment as defined above.

Order Intake

Represents new energy storage solution contracts, new service contracts and new digital application contracts signed during each period presented, including change orders and/or scope adjustments.

Backlog

Represents signed energy storage solutions contracts, service agreements and digital application contracts, including any subsequent change orders, net of revenue already recognized in prior periods.

Deployed

Represents cumulative energy storage solutions that have achieved substantial completion and are not decommissioned.

Pipeline

Represents our uncontracted potential revenue from contracts which have a reasonable likelihood of contract execution within 24 months.

Services attachment rate

Calculated as "Services Orders in GWh" / "Energy Storage Solutions Orders in GWh" in each respective period. There might be a lag effect in the calculated attachment rate if Service order is signed in the period after the Solution order was signed.

Assets Under Management

Assets Under Management for service contracts represents our long-term service contracts with customers associated with completed energy storage solutions. We start providing maintenance, monitoring, or other operational services after the storage product projects are completed. Not limited to energy storage solutions delivered by Fluence.

Assets under management for digital software represents contracts signed and active (post go live).