



Fluence heads into 2018 with its largest ever backlog of projects and reaches key milestone in Mexico

19 December 2017

Melbourne, Australia & New York, USA : Fluence Corporation Limited (ASX: FLC) is pleased to provide the following business update. In summary, over the 2017 calendar year, Fluence has:

- its largest ever backlog of projects heading into 2018, with US\$75 million anticipated to become revenue in 2018 from this backlog alone;
- established production and commercial sales of Smart Packaged MABR plants in China;
- continued to achieve strategic sales of wastewater-to-energy and water treatment solutions in Latin America; and
- reached a key milestone in progressing the San Quintin BOT project in Mexico.

Growing backlog of projects – US\$75 million anticipated to become revenue in 2018

In line with the Company's market update on 31 October 2017, revenue recognition on some projects has moved from Q4 2017 into Q1 2018. As a result of this timing adjustment, Fluence anticipates 2017 revenues on a full year aggregated basis to be approximately US\$60 million. With these slightly delayed projects firmly on backlog, Fluence enters 2018 with its strongest ever project backlog at US\$95 million, of which US\$75 million of this backlog alone is anticipated to become revenue in 2018.

San Quintin (Mexico) project progressing towards financial close, following passing of required decree

Fluence's San Quintin BOT project remains an important part of the Company's revenue contract pipeline. One gating condition to proceed with the project was met, when the Congress of Baja California passed Decree 95 this month to authorise the engagement of foreign contractors (including Fluence) to construct important infrastructure in Mexico. With the decree in place, Fluence now expects reaching Financial Close of this project and First Disbursement in the first quarter of 2018 (as noted in the Company's business update on 31 October).

Four new projects contracted in Latin America

Fluence has won four separate new projects in Latin America in recent months with a combined value of over US\$2.7 million. Revenue from these projects will be recognised this month and in the first quarter of 2018.

Positive outlook for 2018

As outlined above, including San Quintin (Mexico), Fluence has a backlog of project orders amounting to US\$95 million heading into 2018. The Company expects to increase this backlog due to additional bookings that may arise before the end of this year.



The majority of the contract backlog is expected to be performed during 2018 and brought to account as revenue next year. Fluence currently anticipates US\$75 million of this end of year backlog will be converted into revenue in 2018, the strongest position ever in the Company's history.

The strong project backlog, in addition to sales orders expected to be won during 2018, provide the Board with confidence that significantly higher revenue will be generated in 2018 (relative to 2017).

The cash position as at 30 November 2017 (excluding moneys held on deposit for PDVSA) was US\$40.2 million.

Guidance for the 2018 year is anticipated to be released by 31 January 2018.

Incentivising employees

A total of 4.88 million employee options, exercisable at 81 cents each and vesting over four years are in the process of being issued to approximately 270 employees engaged in the former RWL Water businesses.

Investor Relations

Fluence continues to actively engage with investors globally through roadshows, quarterly updates and conference presentations. Fluence has also recently engaged a new IR team in Australia, and Canaccord Genuity initiated research coverage on the Company (a copy of the research report can be downloaded at <https://www.fluencecorp.com/wp-content/uploads/2017/12/2017-11-06-Canaccord-initates-coverage.pdf>).

About Fluence Corporation

Fluence Corporation's vision is to become a leading global provider of fast-to-deploy decentralised and packaged water and wastewater treatment solutions, already an estimated A\$17 billion market in 2016, excluding the China rural market opportunity. Fluence has experience operating in over 70 countries worldwide and employs more than 300 highly trained water professionals around the globe. The Company provides local, sustainable treatment and reuse solutions while empowering businesses and communities worldwide to make the most of their water resources.

Fluence offers an integrated range of services across the complete water cycle, from early stage evaluation, through design and delivery to ongoing support and optimization of water related assets. With core operations in North America, South America, the Middle East and Europe, one of Fluence's main focuses is expanding into the vast market in China for rural wastewater treatment.

For more information please visit our website: <https://www.fluencecorp.com>.



For further information, please contact:

Fluence Corporation Limited

<p><i>USA</i> Henry Charrabé, Managing Director & CEO Email: hcharrabe@fluencecorp.com Telephone: +1 212 572 3766</p>	<p><i>USA</i> Richard Irving, Executive Chairman Email: rirving@fluencecorp.com Telephone: +1 408 382 9790</p>
<p>Gary Dvorchak, CFA, Managing Director The Blueshirt Group Email: gary@blueshirtgroup.com Telephone: +1 (323) 240-5796 or +86 (138) 1079-1480</p>	<p><i>Australia</i> Ross Kennedy, Company Secretary & Advisor to the Board Email: rkennedy@fluencecorp.com T: +61 409 524 442</p>
<p><i>Australia</i> Ronn Bechler Managing Director, Market Eye P: +61-400 009 774 E: ronn.bechler@marketeye.com.au</p>	