

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Fluence Corporation Limited formerly known as Emefcy Group Limited

ABN

52 127 734 196

Quarter ended ("current quarter")

30th June 2017

Consolidated statement of cash flows Refer Notes A & B	Current quarter \$USD'000	Year to date (6 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	246	316
1.2 Payments for		
(a) research and development	(117)	(238)
(b) product manufacturing and operating costs	(2,143)	(2,954)
(c) advertising and marketing	(171)	(282)
(d) leased assets	(273)	(369)
(e) staff costs	(1,078)	(2,043)
(f) administration and corporate costs	(1,249)	(2,482)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(3)	(5)
1.6 Income taxes paid	(3)	(3)
1.7 Government royalties	(3)	(15)
1.8 Other (provide details if material)	(2)	(2)
1.9 Net cash from / (used in) operating activities	(4,794)	(8,074)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(615)	(615)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	54	54
2.6	Net cash from / (used in) investing activities	(561)	(561)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	775	775
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(6)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	4
3.10	Net cash from / (used in) financing activities	769	773

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	19,839	22,986
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,794)	(8,074)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(561)	(561)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	769	773
4.5	Effect of movement in exchange rates on cash held	119	248
4.6	Cash and cash equivalents at end of quarter	15,372	15,372

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	15,372	19,839
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,372	19,839

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$USD'000

203

-

Salaries, director's fees and consulting fees at normal commercial rates. Excludes GST where applicable.

7. Payments to related entities of the entity and their associates	Current quarter \$USD'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$USD'000
9.1 Research and development	See * below
9.2 Product manufacturing and operating costs	
9.3 advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	
9.6 Administration and corporate costs	
9.7 Other	
9.8 Total estimated cash outflows	

* As the acquisition of RWL Water LLC was only recently completed, not all of the relevant information is currently available to be able to provide detailed forward estimates for the September 2017 quarter that includes financial information in respect of the combined Fluence group from 14 July 2017.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

IMPORTANT NOTES TO THE QUARTERLY REPORT

- A On 14 July 2017, the Company successfully completed the merger by acquisition of RWL Water LLC. In connection with the acquisition, the Vendor subscribed to a Private Placement yielding proceeds of USD20 million on 14 July 2017. These proceeds are not included in the financial information in this report.
- B As the acquisition was completed after 30 June 2017, the financial information in this report does not include any financial information pertaining to the RWL Water LLC and its subsidiaries.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2017
 Company Secretary
 Print name: Ross Kennedy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.