AQUAVENTURE HOLDINGS™







Announcement Update

November 1, 2018

Safe Harbor Statement

Statements in this presentation regarding management's future expectations, beliefs, intentions, goals, strategies, plans or prospects, include, without limitation, statements relating to AquaVenture's strategic focus; statements relating to AquaVenture's expectations for the wastewater treatment and water reuse businesses; forecasts of AUC's contributions to our 2018 and 2019 financial results; expectations regarding performance, growth, cash flows and margins from recently completed and pending acquisitions; the impacts on operating results of the timing, size and accounting treatment of acquisitions; and AquaVenture's ability to successfully integrate and operate the acquired businesses or assets, and to achieve the expected financial (including EBITDA) contributions from them. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors detailed in AquaVenture's filings with the Securities and Exchange Commission. As a result of such risks, uncertainties and factors, AquaVenture's actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. AquaVenture is providing the information in this presentation as of this date and assumes no obligations to update the information included in this presentation or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Transition Announcement Highlights

- Doug Brown stepping down as CEO, effective December 31, 2018
  - Will remain Chairman of the Board and will stay on full-time focused on M&A

Beginning January 1, 2019:

- Tony Ibarguen to add AquaVenture CEO role to current positions as AquaVenture President and Quench CEO
- Olaf Krohg promoted to CEO of Seven Seas Water
- Fred Hung promoted to President of Seven Seas Water
- Lee Muller to remain CFO of both AquaVenture and Seven Seas Water

Acquisition Announcement Highlights

- AquaVenture acquired AUC Holdings on November 1
  - Expands Water-as-a-Service™ solutions into the wastewater treatment and water reuse industries
  - Broadens AVH product and service offerings in the United States
  - Purchase price of approximately $130 million (approximately $128 million cash and 121,956 WAAS ordinary shares), subject to adjustments set forth in the purchase agreement
- Acquisition funded through the expansion of the existing Corporate Credit Agreement and existing cash

Overview of AUC Group

- AUC provides wastewater treatment and water reuse solutions to property developers and municipal customers, including utility districts, in the United States
- Headquartered in Houston, Texas
- Wastewater treatment products and services include:
  1. Scalable, modular wastewater treatment plants
  2. Field-erected wastewater treatment plants
  3. Temporary bypass plants
- Products and services are delivered to customers through flexible financing solutions that minimize capital investment by the customer
- Over the past 45 years, AUC has delivered over 1,500 wastewater treatment and water reuse plants ranging in capacity from 5,000 gallons to over 1.5 million gallons per day

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Products and Services

Modular Wastewater Treatment Plants

- Modular, scalable design enables customers to meet additional wastewater treatment demands through the expansion of existing plant on an as-needed basis
- Delivered to customers through capital sales, installment sales and leasing arrangements
- Primary customers are property developers and municipalities, including utility districts
- Company-owned equipment can be disassembled, refurbished and redeployed on new projects

Field-Erected Wastewater Treatment Plants

- Decentralized wastewater treatment plants constructed for permanent application
- Primary customers are property developers and municipalities, including utility districts
- Delivered to customers through capital sales and installment sales

Temporary Bypass Plants

- Temporary transportable wastewater treatment plants deployed to maintain continuity of treatment services during maintenance, operational upsets, and repair of customer permanent solutions
- Designed to capitalize on the repair of the aging infrastructure throughout North America by providing emergency and quick, temporary wastewater solutions to customers
- Primary customers include municipalities with permanent wastewater treatment plants, some of which are out of compliance and urgently require a solution
- Delivered to customers through short-term leases typically less than 1 year

Value Proposition

For Customers

- Limited Upfront Capital Investment through Fully-Financed Options
- Modular, Scalable Design to Meet Increases in Volume Demands
- Experienced Management Team with Strong Channel Relationships

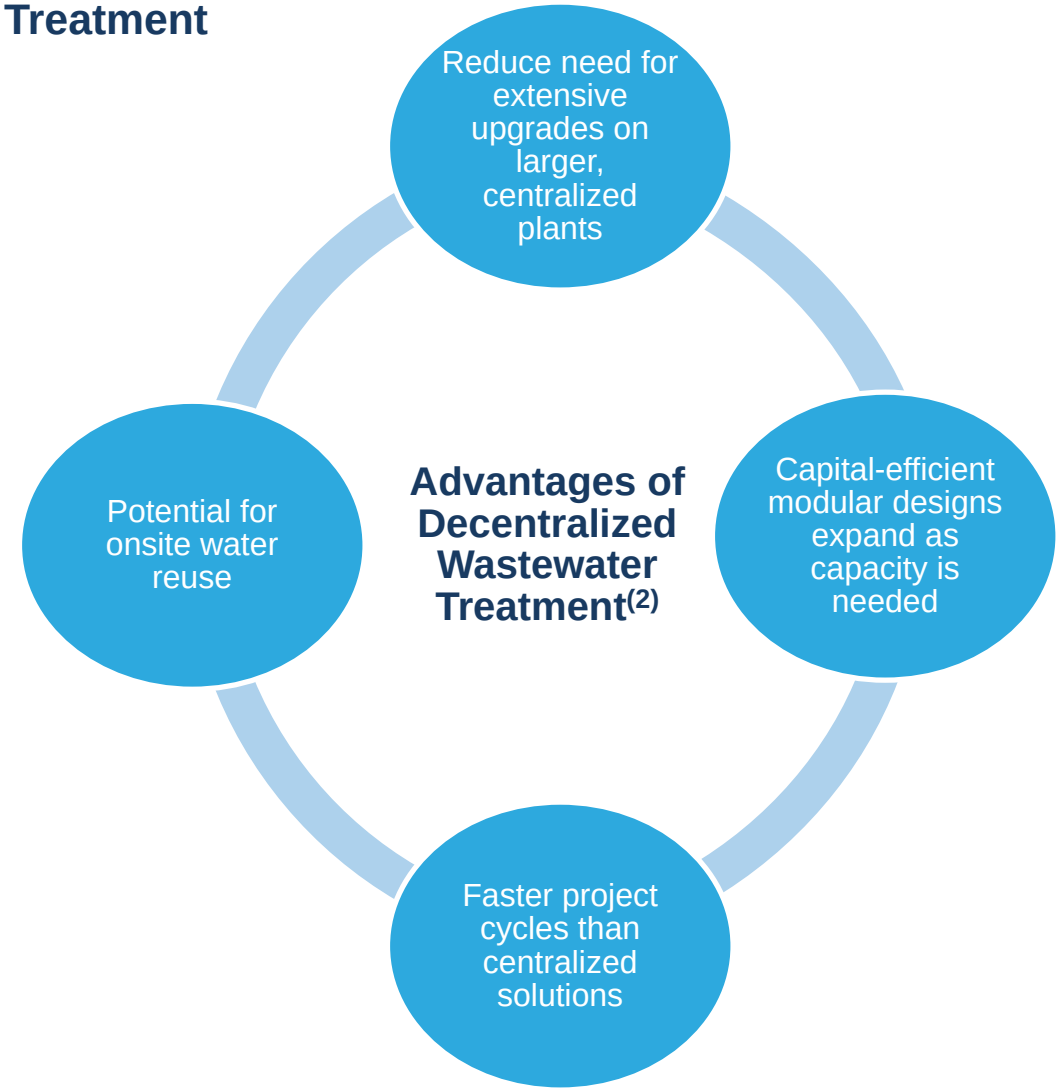
For AquaVenture and Shareholders

- Predictable, Recurring Cash Flow and Attractive Rates of Return on Leasing Arrangements
- Long-term Customer Relationships
- Opportunity to Expand and Extend Customer Lifetime Value

Large Market Opportunity

Support for Decentralized Wastewater Treatment and Water Reuse

- EPA estimates that $271 billion is needed in wastewater infrastructure over the next 25 years[1]
- Demand on existing wastewater treatment plants in the U.S. expected to grow by more than 23% by 2032[1]
- Long term water scarcity is expected to increase over time in many parts of the U.S. – driving increased wastewater reuse [3]
- Only 7-8% of municipal wastewater in the U.S. is reclaimed for reuse [3]



[1] American Society of Civil Engineers 2017 Infrastructure report card
[2] GWI Magazine 18 May 2017 (Vol 18, Issue 5), "The building blocks for decentralized wastewater treatment"
[3] EPA, 2017 Potable Reuse Compendium

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Amendment to Corporate Credit Agreement

- Corporate Credit Agreement flexed by $110 million to $260 million to fund transaction
  - Interest rate on existing $150 million loan reduced by 50 bps on both the fixed and variable tranches; credit spread reduced by 50 bps on new borrowings compared to original financing
  - $115 million is fixed at a weighted-average interest rate of 8.0% and $145 million is floating at Libor + 5.50%
  - No up-front fees or original issue discount
- Non-amortizing loan
- Loan maturity unchanged