AQUAVENTURE HOLDINGS™

Second Quarter 2019 Earnings Call

August 7, 2019

Safe Harbor Statement

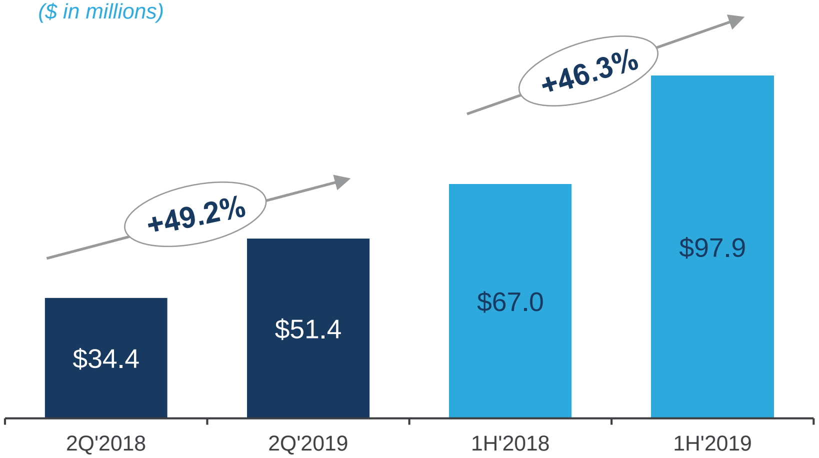
Statements in this presentation regarding management's future expectations, beliefs, intentions, goals, strategies, plans or prospects, include, without limitation, statements relating to AquaVenture's strategic focus; its forecast of full-year 2019 financial results; our ability to produce positive operating cash flows; expectations regarding future business development and acquisition activities; its expectations regarding performance, growth, cash flows and margins from recently completed and pending acquisitions; its ability to capitalize on vertical integration opportunities; and the impacts on operating results of the timing, size, integration and accounting treatment of acquisitions, constitute forward-looking statements. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "could increase the likelihood," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. 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.

Second Quarter 2019 Financial Highlights

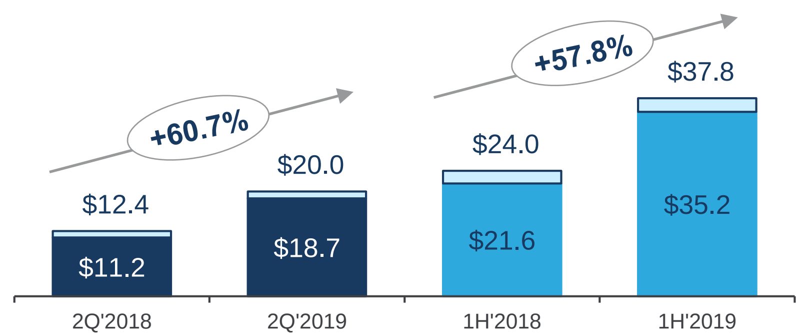
Continuation of Strong Financial Performance Through Q2 2019

- Revenues grew 49.2% over Q2 2018, which was comprised of 10.3% organic growth and 38.9% inorganic growth
  - Includes revenue growth of 49.6% in Quench and 48.7% in Seven Seas Water
- Net loss of $3.5M compared to $4.9M in Q2 2018
- Adjusted EBITDA increase of 66.4% over Q2 2018
- Adjusted EBITDA Margin expansion of 380 bps

Revenues
($ in millions)



Adjusted EBITDA[(1)] and Adjusted EBITDA plus principal collected on the Peru construction contract[(2)]
($ in millions)



Adj. EBITDA Margin %			
32.6%	*36.4%*	*32.2%*	*35.9%*

(1) See appendix for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.
(2) See appendix for a description of the principal collected on the Peru construction contract.

Operational Update

- Quench completed two acquisitions – Aguaman in June and Carolina Pure Water Systems in July
  - Collectively added over 3,100 customers and 4,600 units
  - Acquisitions were facilitated by the relationships with our extensive independent dealer network
  - Brings Quench's total installed asset base to over 150,000 company-owned units
- Quench completed final PHSI indirect integration
- SSW completed AUC ERP and certain back office integration on August 1st

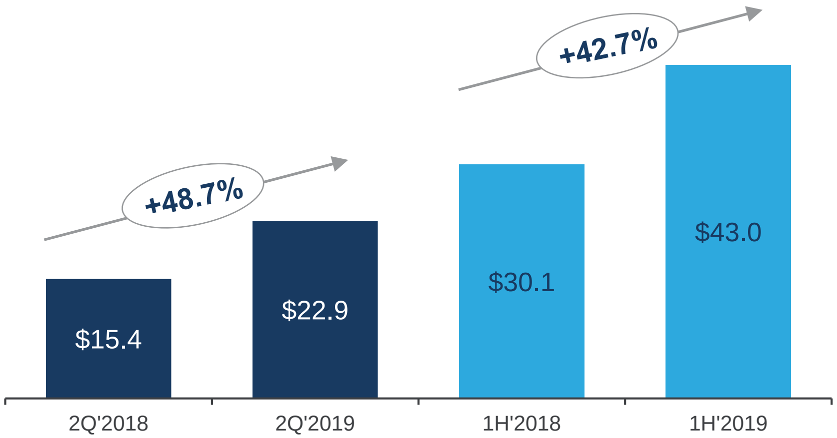
2017 | **2018** | **2019**

Seven Seas Water Financial Overview

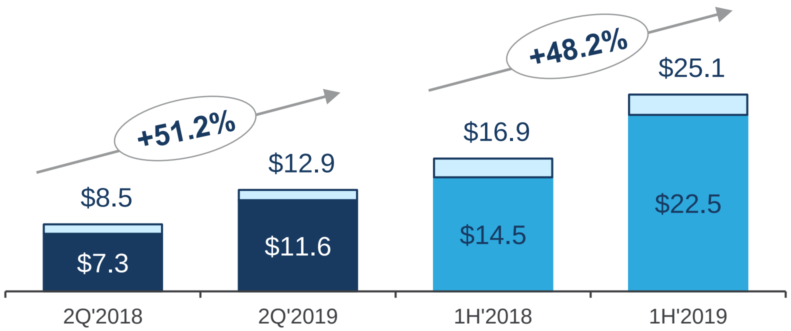
Q2 2019 Financial Highlights

- Revenues of $22.9M
- Gross margin of 55.3%
- Net income of $1.4M
- Adjusted EBITDA of $11.6M and Adjusted EBITDA Margin of 50.8%[1]
- Adjusted EBITDA plus principal on the Peru construction contract of $12.9M[2]

Revenues
($ in millions)



Adjusted EBITDA[1] and Adjusted EBITDA plus principal collected on the Peru construction contract[2]
($ in millions)



Adj. EBITDA Margin %			
47.7%	50.8%	48.2%	52.3%

[1] See appendix for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.
[2] See appendix for a description of the principal collected on the Peru construction contract.

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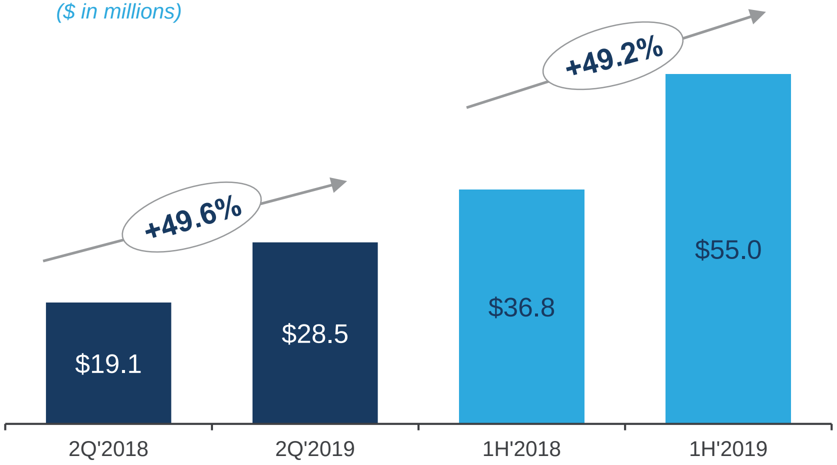
Quench Financial Overview

Q2 2019 Financial Highlights

- Revenues of $28.5M
- Gross margin of 48.8%
- Net Loss of $2.1M
- Adjusted EBITDA of $8.0M and Adjusted EBITDA Margin of 28.0%

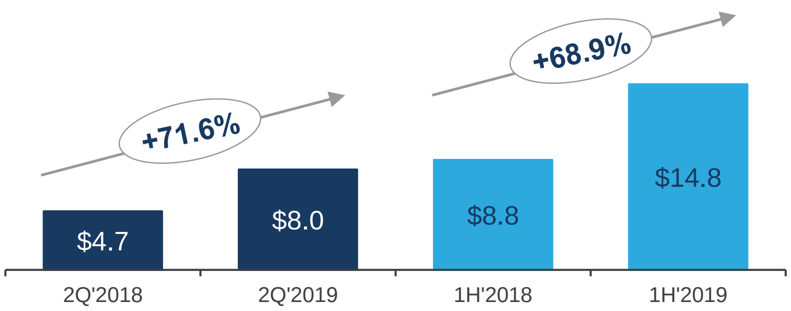
Revenues

($ in millions)



Adjusted EBITDA[1]

($ in millions)



Adj. EBITDA Margin %			
24.4%	*28.0%*	*23.8%*	*26.9%*

[1] See appendix for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.

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Select Balance Sheet and Cash Flow Items

Select Balance Sheet Items

(in USD thousands)	June 30 2019	December 31, 2018
Cash and cash equivalents	$ 41,312	$ 56,618
Corporate credit agreement	300,000	300,000
BVI loan	17,705	20,468
Vehicle financing	2,544	1,842
Total face value of debt	320,249	322,310
Less: unamortized debt discounts and deferred financing fees	(2,082)	(2,601)
Total debt	$ 318,167	$ 319,709
Total Net Debt[1]	$ 276,855	$ 263,091

Select Cash Flow Statement Items

(in USD thousands)	Six Months Ended	
	June 30, 2019	June 30, 2018
Cash flow (used in) provided by operating activities	$ 6,546	$ 13,771
Capital expenditures	(16,935)	(7,215)

- Capital expenditures are largely composed of growth-related activities (POU unit placements, AUC growth, Limetree) that will result in the generation of additional revenues and Adjusted EBITDA in future years
- Completed follow-on offering of ~4.7 million ordinary shares in July, raising ~$75M of net proceeds

(1) *Total Net Debt*, a non-GAAP financial measure, is defined as total debt less cash and cash equivalents as reported on the Consolidated Balance Sheets.

Attractive Unit Economics – Indicative Cash Flow Profiles

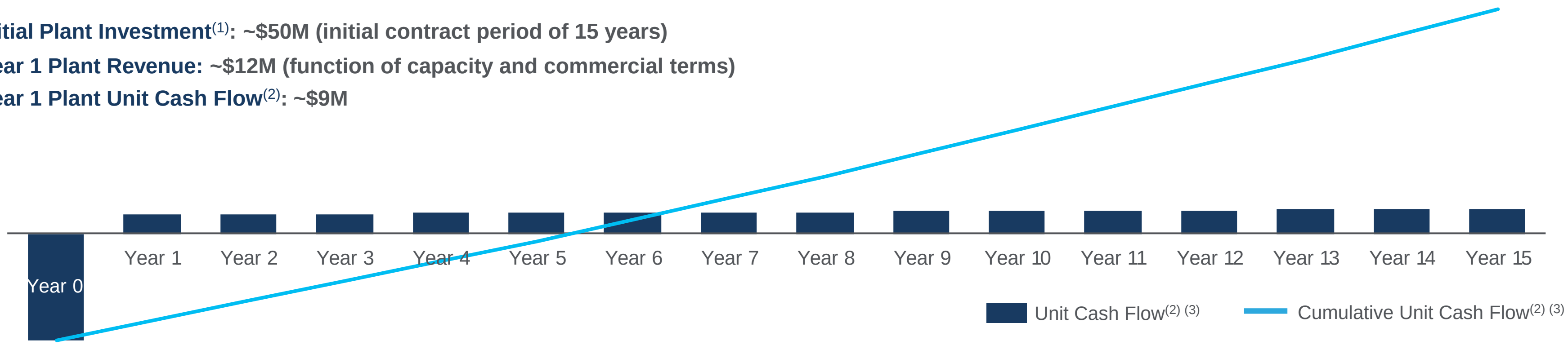
Note: Unit economics may vary significantly from these illustrative examples. Examples are not forward-looking statements nor a target for future investments.

Illustrative Desalination Contract *(in millions of dollars)*

Initial Plant Investment[1]: ~$50M (initial contract period of 15 years)

Year 1 Plant Revenue: ~$12M (function of capacity and commercial terms)

Year 1 Plant Unit Cash Flow[2]: ~$9M

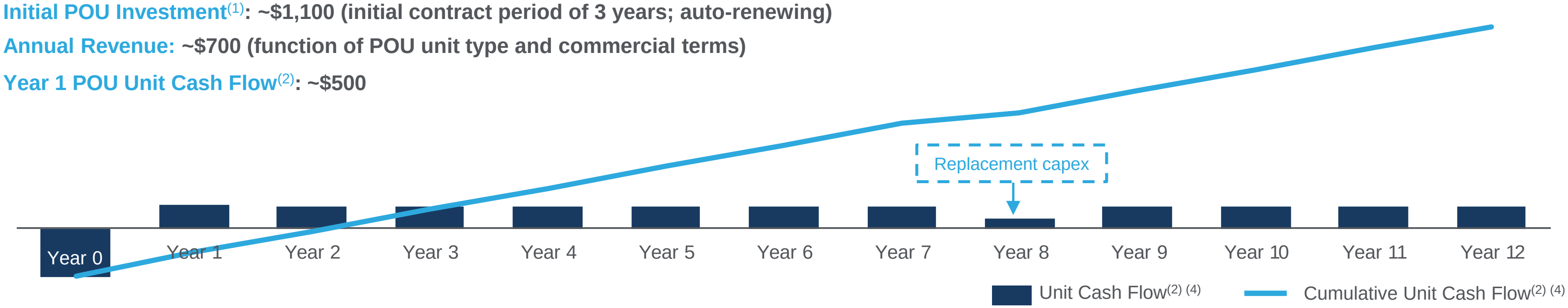


Illustrative POU Rental Contract *(in whole dollars)*

Initial POU Investment[1]: ~$1,100 (initial contract period of 3 years; auto-renewing)

Annual Revenue: ~$700 (function of POU unit type and commercial terms)

Year 1 POU Unit Cash Flow[2]: ~$500



(1) Initial investment includes the initial cash outflow related to capital expenditures and initial long-term contract costs, including acquisition and fulfillment costs. In addition, initial POU investment includes lead generation costs. Actual initial investments may vary

(2) Unit cash flow generation is defined as net income before depreciation and amortization, net interest expense; income tax expense (benefit), gain or loss on disposal of fixed assets, and general overhead expenditures and related allocations

(3) Illustrative desalination model and cash flow profile is based on a plant accounted for as an operating lease that is built, owned and operated by us and assumes annual increases to both revenues and operating expenditures of 2% for inflation. The model and cash flow profile could differ significantly for contracts sourced through acquisition or accounted for differently, including as a capital lease or service concession arrangement

(4) Illustrative POU model and cash flow profile assumes: (i) an implied rental period of more than 12 years based on a typical auto-renewing initial contract term of 3 years and an annual unit attrition rate of <8%, (ii) higher POU unit cash flow in year 1 due to lower field service costs, and (iii) lower POU unit cash flow in year 8 due to the replacement and related installation costs of the POU unit upon reaching its estimated useful life of 7 years. The actual timing of a replacement may differ.

2019 Outlook

- Due to the strong financial performance reported in 1H’2019 and the anticipated impact of the completed 2019 Quench acquisitions, the Company is raising the floor of its previously-provided guidance ranges
- For the full-year 2019 outlook, the Company is currently targeting:

	FY 2019 Outlook	*Previous FY 2019 Outlook*
Revenue	$192M - $197M	*$190M - $197M*
Adjusted EBITDA	$69M - $72M	*$67M - $72M*
Principal Collected on the Peru Construction Contract	$5.3M	*$5.3M*
Adjusted EBITDA plus Principal Collected on the Peru Construction Contract	$74M - $77M	*$72M - $77M*

- Outlook does ***not*** include any pending or future acquisitions

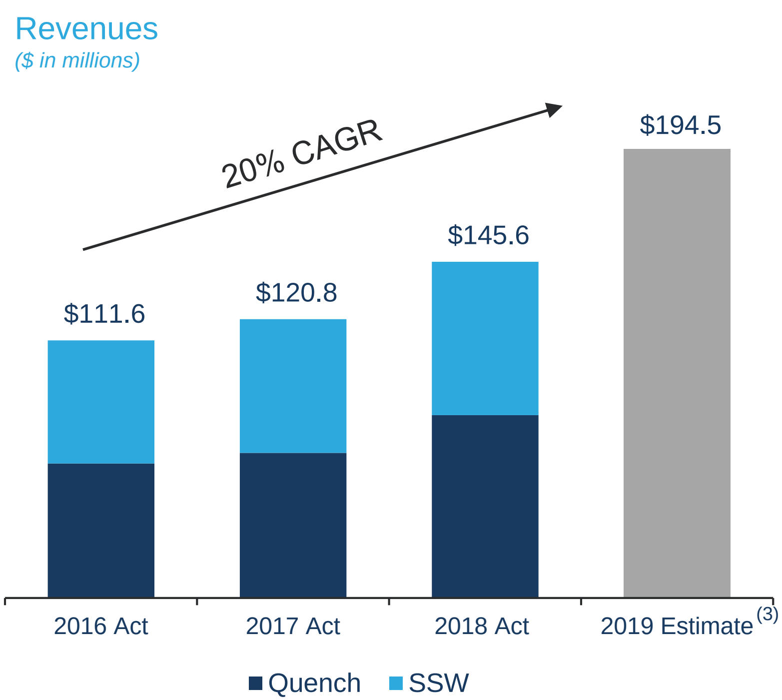
The above statements are based on current targets. These statements are forward-looking and actual results may differ materially.

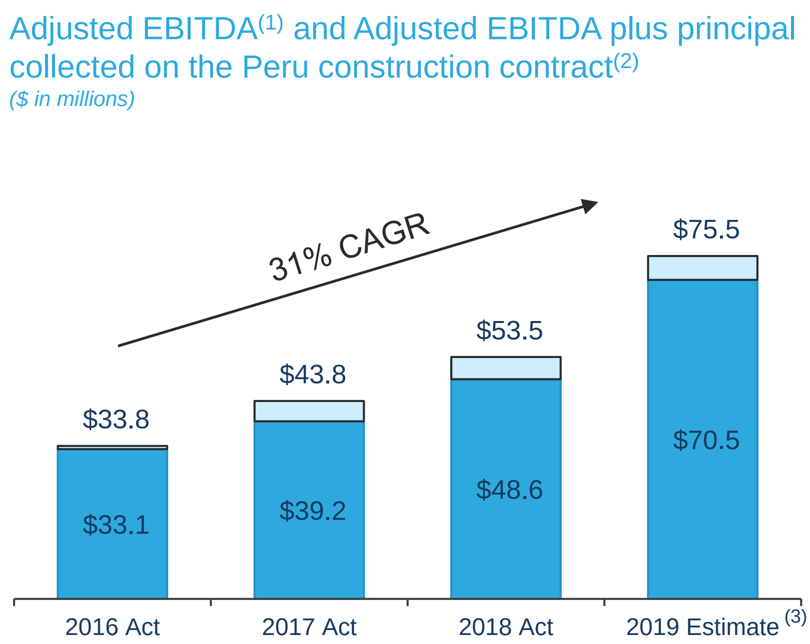
AquaVenture does not provide GAAP financial measures on a forward-looking basis because we are unable to predict with reasonable certainty the ultimate outcome of unusual gains and losses, acquisition-related expenses and purchase accounting fair value adjustments, among other factors, without unreasonable effort. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with GAAP.

Appendix:

Supplemental Information and Reconciliations

AquaVenture Growth Trends Since IPO





Adj. EBITDA Margin %			
29.7%	*32.5%*	*33.3%*	*36.2%* [3]

Represents Principal Collected on the Peru Construction Contract

[1] See appendix for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.
[2] See appendix for a description of the principal collected on the Peru construction contract.
[3] Calculated based upon the mid-point of the 2019 full year outlook provided on page 8 of this presentation.

Income Statement

AquaVenture Holdings Limited and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(In Thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenues:				
Bulk water	$ 15,614	$ 14,360	$ 29,924	$ 28,056
Rental	22,567	14,821	44,374	28,780
Product sales	12,269	4,249	21,742	8,060
Financing	937	1,015	1,909	2,063
Total revenues	51,387	34,445	97,949	66,959
Cost of revenues:				
Bulk water	6,941	6,743	13,523	13,250
Rental	10,047	6,654	19,653	13,110
Product sales	7,827	2,842	13,886	5,368
Total cost of revenues	24,815	16,239	47,062	31,728
Gross profit	26,572	18,206	50,887	35,231
Selling, general and administrative expenses	22,869	19,289	45,738	38,863
Income (loss) from operations	3,703	(1,083)	5,149	(3,632)
Other expense:				
Interest expense, net	(6,508)	(3,354)	(13,068)	(6,604)
Other expense, net	(199)	(152)	(148)	(292)
Loss before income tax expense	(3,004)	(4,589)	(8,067)	(10,528)
Income tax expense	471	332	1,072	739
Net loss	(3,475)	(4,921)	(9,139)	(11,267)
Other comprehensive income:				
Foreign currency translation adjustment	116	(107)	236	(190)
Comprehensive loss	$ (3,359)	$ (5,028)	$ (8,903)	$ (11,457)
Loss per share – basic and diluted	$ (0.13)	$ (0.19)	$ (0.34)	$ (0.42)
Weighted-average shares outstanding – basic and diluted	26,949	26,550	26,907	26,521

Non-GAAP Financial Data

	Three Months Ended June 30, 2019				Three Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Net income (loss)	$ 1,434	$ (2,081)	$ (2,828)	$ (3,475)	$ (1,573)	$ (2,266)	$ (1,082)	$ (4,921)
Depreciation and amortization	5,902	6,676	-	12,578	3,675	4,516	-	8,191
Interest expense, net	3,263	1,572	1,673	6,508	2,441	790	123	3,354
Income tax expense (benefit)	492	(21)	-	471	472	(140)	-	332
Share-based compensation expense	674	442	159	1,275	2,179	980	207	3,366
(Gain) loss on disposal of assets	(10)	233	-	223	3	382	-	385
Acquisition-related expenses	92	884	94	1,070	191	22	-	213
Changes in deferred revenue related to our bulk water business	(240)	-	-	(240)	(55)	-	-	(55)
ERP implementation charges for a SAAS solution	-	248	-	248	-	370	-	370
Restructuring expenses	-	34	-	34	-	-	-	-
Adjusted EBITDA	$ 11,607	$ 7,987	$ (902)	$ 18,692	$ 7,333	$ 4,654	$ (752)	$ 11,235
Adjusted EBITDA Margin	50.8 %	28.0 %	— %	36.4 %	47.7 %	24.4 %	— %	32.6 %

	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Net income (loss)	$ 1,528	$ (4,850)	$ (5,817)	$ (9,139)	$ (3,927)	$ (4,875)	$ (2,465)	$ (11,267)
Depreciation and amortization	11,598	12,938	-	24,536	7,239	8,812	-	16,051
Interest expense, net	6,622	3,152	3,294	13,068	4,803	1,548	253	6,604
Income tax (benefit) expense	934	138	-	1,072	966	(227)	-	739
Share-based compensation expense	1,266	815	205	2,286	4,263	1,900	486	6,649
(Gain) loss on disposal of assets	(19)	771	-	752	232	706	-	938
Acquisition-related expenses	449	1,131	255	1,835	706	176	-	882
Changes in deferred revenue related to our bulk water business	105	-	-	105	246	-	-	246
ERP implementation charges for a SAAS solution	-	557	-	557	-	711	-	711
Restructuring expenses	-	130	-	130	-	-	-	-
Adjusted EBITDA	$ 22,483	$ 14,782	$ (2,063)	$ 35,202	$ 14,528	$ 8,751	$ (1,726)	$ 21,553
Adjusted EBITDA Margin	52.3 %	26.9 %	— %	35.9 %	48.2 %	23.8 %	— %	32.2 %

Adjusted EBITDA, a non-GAAP financial measure, is defined as earnings (loss) before net interest expense, income taxes, depreciation and amortization as well as adjusting for the following items: share-based compensation expense; gain or loss on disposal of assets; acquisition-related expenses, including professional fees, purchase consideration recorded as compensation expense for acquired employees, and other expenses related to acquisitions; changes in deferred revenue related to our bulk water business; enterprise resource planning ("ERP") system implementation charges for a software-as-a-service ("SAAS") solution; and charges incurred in connection with restructuring activities. Adjusted EBITDA should not be considered a measure of financial performance under GAAP. Management believes that the use of Adjusted EBITDA, which is used by management as a key metric to assess performance, provides consistency and comparability with our past financial performance, and facilitates period-to-period comparisons of operations. Management believes that it is useful to exclude certain charges, such as depreciation and amortization, and non-core operational charges, from Adjusted EBITDA because (1) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (2) such expenses can vary significantly between periods as a result of the timing of acquisitions or restructurings.

Adjusted EBITDA Margin, a non-GAAP financial measure, is defined as Adjusted EBITDA as a percentage of revenue.

Key Metrics

	Three Months Ended June 30, 2019				Three Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Principal collected on Peru construction contract	$ 1,316	$ -	$ -	$ 1,316	$ 1,212	$ -	$ -	$ 1,212

	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Principal collected on Peru construction contract	$ 2,605	$ -	$ -	$ 2,605	$ 2,400	$ -	$ -	$ 2,400

	Three Months Ended June 30, 2019				Three Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Adjusted EBITDA plus principal collected on Peru construction contract	$ 12,923	$ 7,987	$ (902)	$ 20,008	$ 8,545	$ 4,654	$ (752)	$ 12,447

	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
	Seven Seas Water	Quench	Corporate & Other	Total	Seven Seas Water	Quench	Corporate & Other	Total
	(in thousands)				(in thousands)			
Adjusted EBITDA plus principal collected on Peru construction contract	$ 25,088	$ 14,782	$ (2,063)	$ 37,807	$ 16,928	$ 8,751	$ (1,726)	$ 23,953

Cash collected on Peru construction contract. In our Peru Acquisition, we acquired the rights to a design and construction contract that includes monthly installment payments for the construction of the related desalination plant and related infrastructure, which continue until 2024. These payments are guaranteed by a major shareholder of our customer and accounted for as a long-term receivable as a result of the structure of the contractual arrangement, which differs from existing contracts in our Seven Seas Water business. We understand that many in the investment community present the combination of our Adjusted EBITDA and the principal we collect from the Peru construction contract acquired in our Peru Acquisition, which was not accounted for as revenue in the consolidated financial statements. We also use this combination in evaluating our performance (including in measuring performance for a portion of the compensation of our executive officers). In this regard, and for the sake of convenience, the combination of our Adjusted EBITDA and the principal collected on the Peru construction contract is presented above.