AQUAVENTURE HOLDINGS™

First Quarter 2017 Earnings Call

May 10, 2017

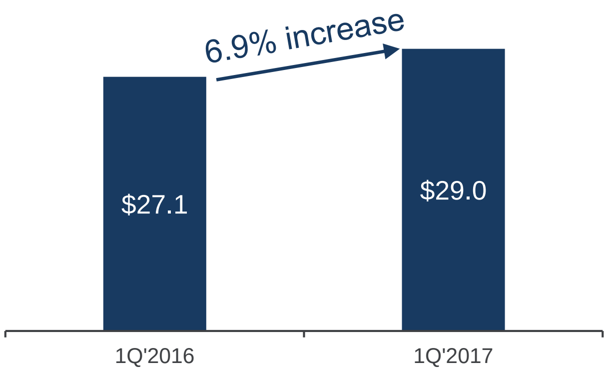
Safe Harbor Statement

Statements in this presentation regarding management's future expectations, beliefs, intentions, goals, strategies, plans or prospects, include, without limitation, statements relating to AquaVenture's forecast of full-year 2017 financial results; its expected margins and the impacts thereon from various customer contracts; its strategic focus; its ability to improve plant performance and profitability; the impacts on operating results of the timing, size and accounting treatment of acquisitions, customer contract amendments (including those that result in changes to water rates), and variations in the volume of water purchased by our customers; and future expansion opportunities, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. 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.

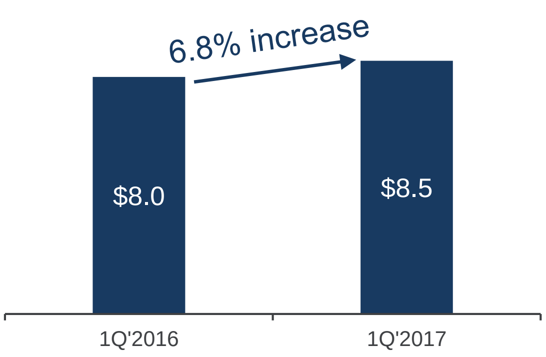
First Quarter 2017 Highlights

- Total revenues of $29.0M, an increase of 6.9% over Q1 2016
- Net loss of $6.1M, or $(0.23) per share, compared to a net loss of $4.0M in Q1 2016
- Adjusted EBITDA of $8.5M, compared to $8.0M in Q1 2016[(1)]
  - Adjusted EBITDA Margin of 29.4%, flat compared to Q1 2016
- Adjusted EBITDA plus cash collected on the design and construction contract acquired in our Peru acquisition of $10.6M compared to $8.0M in Q1 2016[(2)]

Revenue
($ in millions)

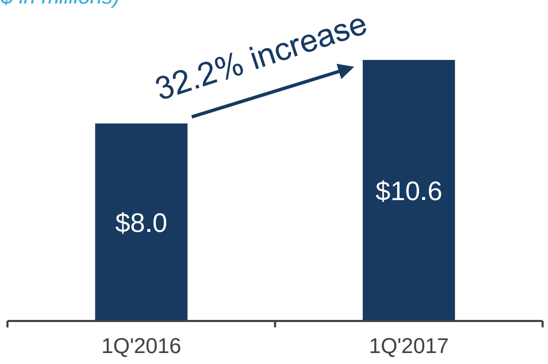


Adjusted EBITDA[(1)]
($ in millions)



Adj. EBITDA Margin %	
29.4%	*29.4%*

Adjusted EBITDA plus cash collected on the design and construction contract[(2)]
($ in millions)



(1) See page 7 for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.
(2) See page 8 for a description of the cash collected on the design and construction contract we acquired in our Peru acquisition.

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Seven Seas Water Segment Overview

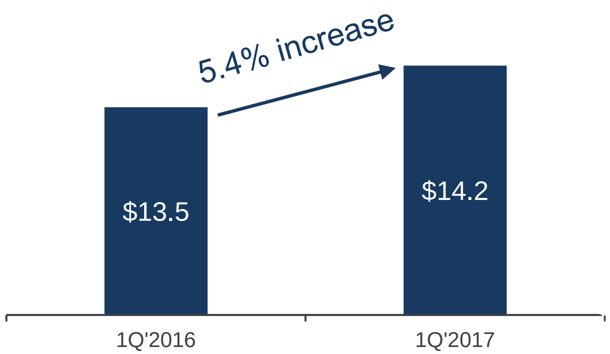
First Quarter 2017 Results

- Revenues of $14.2M
- Gross Margin of 37.9%
- Net Loss of $2.9M
- Adjusted EBITDA of $5.6M and Adjusted EBITDA Margin of 39.4%[(1)]
- Adjusted EBITDA plus cash collected on the design and construction contract of $7.6M[(2)]

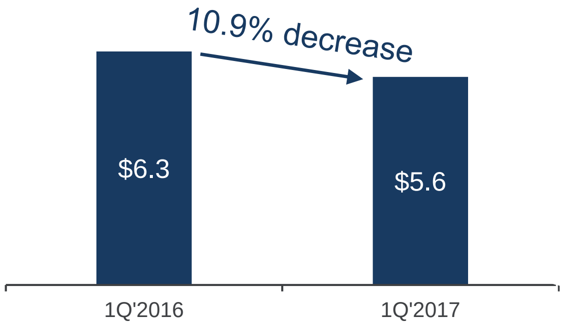
Commentary

- Decline in Adjusted EBITDA of $0.7M primarily driven by:
  - Peru elevated repairs and maintenance expenses planned as part of the post-acquisition integration
  - BVI revenue accrual for an expected rate change in connection with a pending contract amendment
- Cash collected on the design and construction contract not included in revenue and Adjusted EBITDA
- YoY BVI and Peru impacts anticipated and already included in guidance

Revenue
($ in millions)

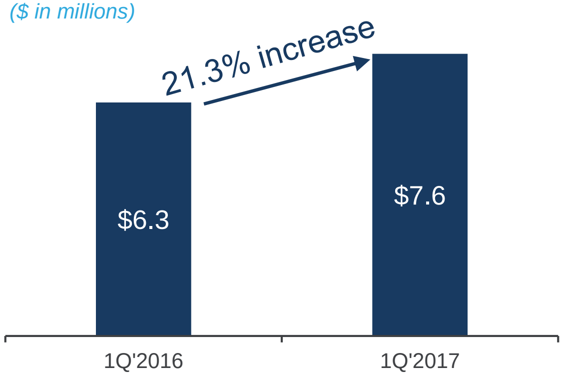


Adjusted EBITDA[(1)]
($ in millions)



Adj. EBITDA Margin %	
46.7%	*39.4%*

Adjusted EBITDA plus cash collected on the design and construction contract[(2)]
($ in millions)



(1) See page 7 for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.
(2) See page 8 for a description of the cash collected on the design and construction contract we acquired in our Peru acquisition.

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Quench Segment Overview

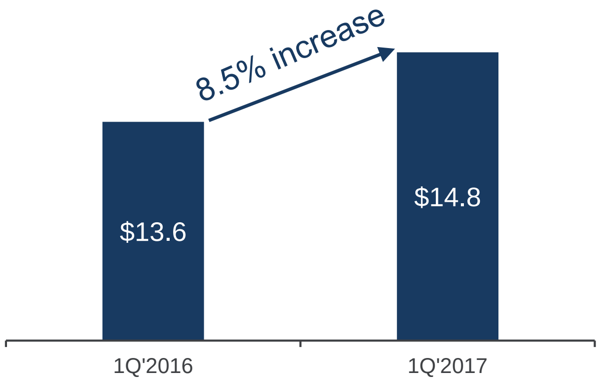
First Quarter 2017 Results

- Revenues of $14.8M
- Gross Margin of 53.4%
- Net Loss of $2.6M
- Adjusted EBITDA of $3.8M and Adjusted EBITDA Margin of 25.8%(2)

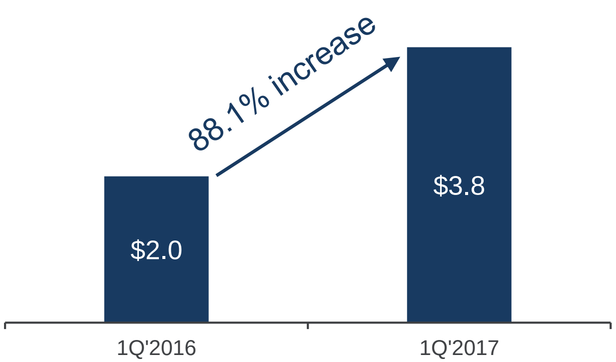
Commentary

- Serving more than 40,000 customers with over 90,000 company-owned units, including over half of the Fortune 500
- Annual unit attrition rate of ~8% at March 31, 2017(1)
- Announced agreement with Avendra, North America's leading procurement services provider serving the hospitality industry, to be the preferred provider of sparkling and other water dispensers

Revenue
($ in millions)



Adjusted EBITDA(2)
($ in millions)



Adj. EBITDA Margin %	
14.9%	25.8%

(1) We define 'annual unit attrition rate' as a ratio, the numerator of which is the total number of removals of company-owned and billed rental units during the trailing 12-month period, and the denominator of which is the average number of company-owned and billed rental units during the same 12-month period.
(2) See page 7 for the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable GAAP financial measure.

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Income Statement

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

	Three months ended March 31, 2017	Three months ended March 31, 2016
Revenues:		
Bulk water	$ 14,215	$ 13,491
Rental	12,804	11,706
Other	1,989	1,932
Total revenues	29,008	27,129
Cost of revenues:		
Bulk water	8,824	7,663
Rental	5,754	5,464
Other	1,136	1,039
Total cost of revenues	15,714	14,166
Gross profit	13,294	12,963
Selling, general and administrative expenses	16,488	13,697
Loss from operations	(3,194)	(734)
Other expense:		
Interest expense, net	(1,815)	(2,580)
Other expense, net	(182)	(46)
Loss before income tax expense	(5,191)	(3,360)
Income tax expense	935	628
Net loss	$ (6,126)	$ (3,988)
Loss per share - basic and diluted[1]	$ (0.23)	
Weighted-average shares outstanding - basic and diluted[1]	26,386	

[1] Represents loss per share and weighted-average shares outstanding for the period following the Corporate Reorganization and IPO. There were no ordinary shares outstanding prior to October 6, 2016, therefore no loss per share information has been presented for any period prior to that date.

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Non-GAAP Financial Data

($ in thousands)

	Three months ended March 31, 2017				Three months ended March 31, 2016			
	Seven Seas Water	Quench	Corporate and Other	Total	Seven Seas Water	Quench	Corporate and Other	Total
Net income (loss)	$ (2,880)	$ (2,617)	$ (629)	$ (6,126)	$ (749)	$ (2,900)	$ (339)	$ (3,988)
Depreciation and amortization	4,272	3,535	-	7,807	4,012	3,252	-	7,264
Interest expense (income), net	1,076	1,033	(294)	1,815	1,556	1,024	-	2,580
Income tax expense	859	76	-	935	628	-	-	628
Share-based compensation expense	2,000	830	24	2,854	477	206	-	683
Loss on disposal of assets	-	268	-	268	-	192	-	192
Acquisition-related expenses	-	-	-	-	85	-	-	85
Changes in deferred revenue related to our bulk water business	280	-	-	280	285	-	-	285
ERP implementation charges for a SAAS solution	-	696	-	696	-	257	-	257
Adjusted EBITDA	$ 5,607	$ 3,821	$ (899)	$ 8,529	$ 6,294	$ 2,031	$ (339)	$ 7,986
Adjusted EBITDA Margin	39.4%	25.8%	—%	29.4%	46.7%	14.9%	—%	29.4%

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, goodwill impairment charges, 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, initial public offering costs, gains (losses) on extinguishment of debt, one-time IPO triggered compensation, gains on bargain purchases and certain adjustments recorded in connection with purchase accounting for acquisitions. 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

($ in thousands)

	Three months ended March 31, 2017				Three months ended March 31, 2016			
	Seven Seas Water	Quench	Corporate and Other	Total	Seven Seas Water	Quench	Corporate and Other	Total
Cash collected on design and construction contract	$ 2,026	$ -	$ -	$ 2,026	$ -	$ -	$ -	$ -

	Three months ended March 31, 2017				Three months ended March 31, 2016			
	Seven Seas Water	Quench	Corporate and Other	Total	Seven Seas Water	Quench	Corporate and Other	Total
Adjusted EBITDA plus cash collected on design and construction contract	$ 7,633	$ 3,821	$ (899)	$ 10,555	$ 6,294	$ 2,031	$ (339)	$ 7,986

Cash collected on design and 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 note 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 cash we collect from the design and construction contract acquired in our Peru Acquisition. Cash collected on the design and construction contract, which includes both principal and interest, 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 cash collected on the design and construction contract is presented above.

Select Balance Sheet Items

Balance Sheet	As of March 31, 2017:	As of December 31, 2016:
Cash and Cash Equivalents	$89.9M	$95.3M
Total Debt	$137.0M	$143.7M
Working Capital	$64.8M	$75.9M

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Select Cash Flow Items

Cash Flow	Quarter Ended March 31, 2017:	Quarter Ended March 31, 2016:
Net Cash from Operating Activities	$5.3M	$5.5M
Capital Expenditures and Long-Term Contract Expenditures	$3.4M	$6.2M

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2017 Outlook

- No change to previously provided full-year 2017 outlook, which is targeting:
  - Revenues between $127M and $132M, of which approximately 8% is expected to be inorganic (including the operations in Peru)
  - Adjusted EBITDA between $37M and $41M
  - Cash collected on the design and construction contract acquired in our Peru acquisition projected to be $8.1M annually (~$2M per quarter)
  - Adjusted EBITDA plus cash collected on the design and construction contract acquired in our Peru acquisition between $45M and $49M
- Revenues and Adjusted EBITDA targets include increases from both organic and inorganic growth
- Anticipate revenue and Adjusted EBITDA results to be more heavily weighted towards the second half of the year driven principally by the timing of projected M&A contributions

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

AquaVenture does not provide reconciliations of non-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.

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Q&A