The Clear Water Revolution

Joining forces to treat and reuse wastewater

AWT Annual Convention and Exposition – September 2017

A leading provider of water treatment solutions.

The World's Water Problem…

- By 2030, world demand for water will outstrip supply by 40 percent.
- Close to half of the world's population will be living in water-stressed areas.

Source: "A Blue Revolution – Global Water"

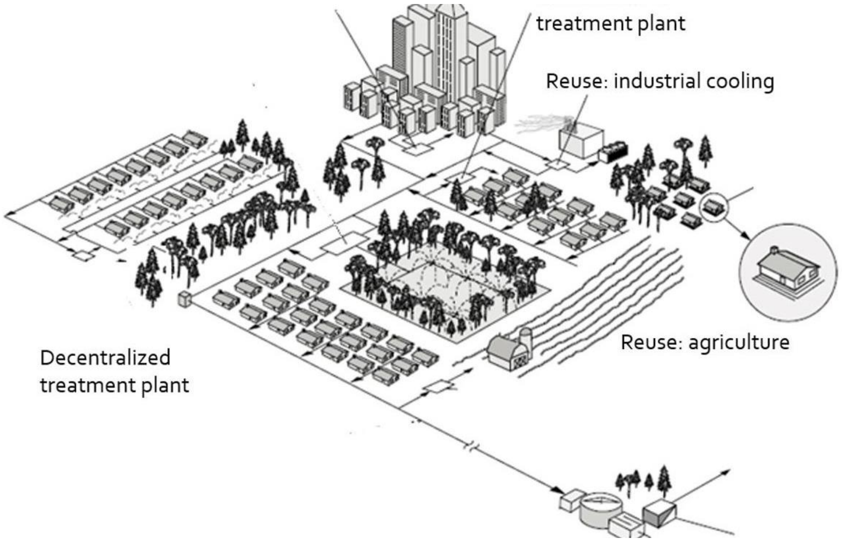
Historic Market Opportunity

- Global water services industry to double to $1 trillion by 2020.*
- US Market: $130 billion (2010), sectors growing 20% annually.**

* A Blue Revolution – Global Water (2012)
** American Water Works Association (2011)

Meanwhile, Decentralization…

- America's water treatment infrastructure is broken.
- Quarter trillion dollars required to fix it – not going to happen!
- Alternative: end users process water on site.
- This is the distributed water revolution.



Source: Lux Research: The Future of Decentralized Water

US Growth Drivers

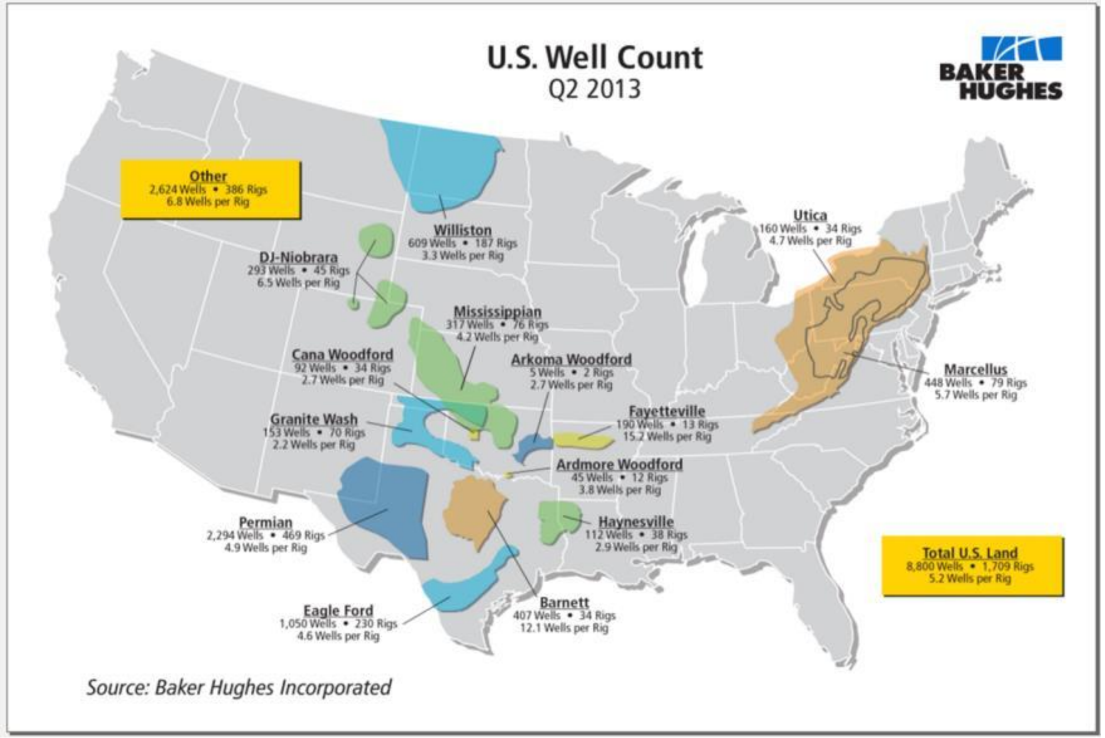
- Corporate specialization:
  - *End-users focus on their core business and outsource water treatment.*
- Shortages & low quality feedwater sources:
  - *End-users adopting alternative sources requiring more treatment.*
- Regulation & risk management:
  - *More stringent regulations with associated risks for failure.*
- Higher demand for complete water solutions:
  - *Partial solutions lead to failures and higher risk.*
- Water reuse & recycling:
  - *Increasing emphasis on environmental sustainability.*

* Industrial Water Services, Global Water Intelligence (2015)

Breaking Down the Market?

- Certain Applications Are National
  – Municipal Waste, Drinking Water
- Industrial Applications Have Particular Challenges
  – Oil & Gas
  – Bottled Drinking Water
  – Beverages
  – Process Water
  – Landfill Leachate
  – Pharmaceutical
  – Livestock
  – Diary & Cheese
  – Electronics
  – Mining
  – Irrigation
  – Environmental

Highly Variable Requirements



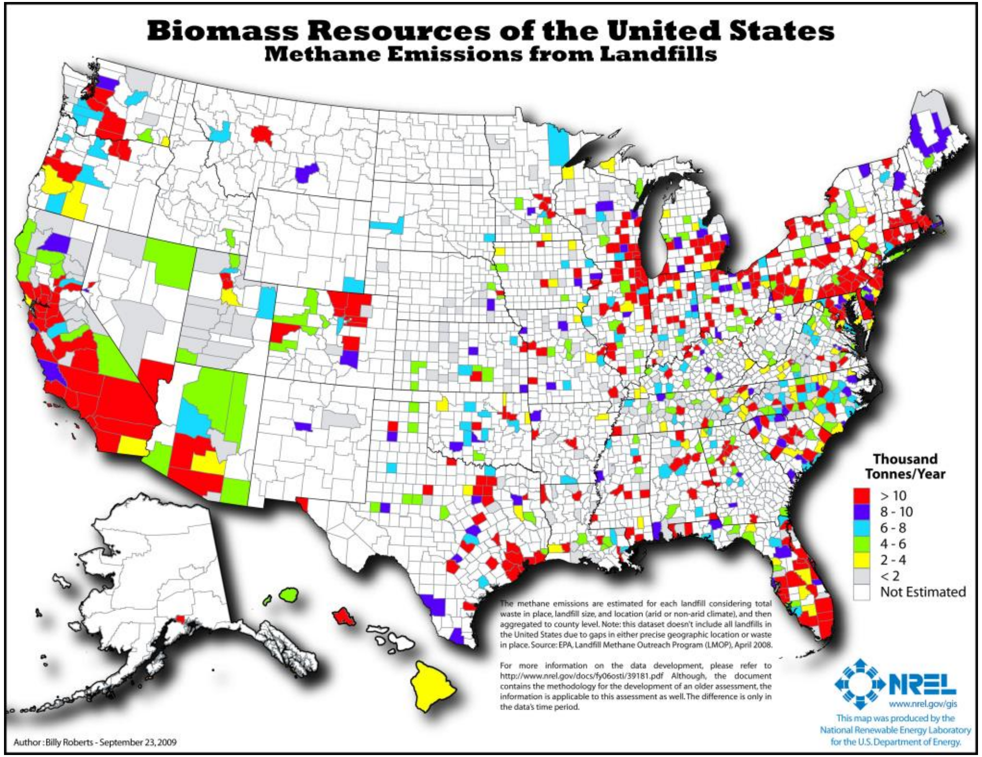
- High level of total dissolved solids (TDS)
- Oil and grease
- Suspended solids
- Dispersed oil
- Dissolved and volatile organic compounds
- Heavy metals
- Radionuclides
- Dissolved gases and bacteria.
- Chemicals (additives) used in production such as biocides, scale and corrosion inhibitors, and emulsion breakers

Bottled - More Than Tap Water

Bottled water is full of hormone-disrupting chemicals. Anti-estrogens and anti-androgens are present in the majority of bottled water.

PLOS Pathogens (2013)

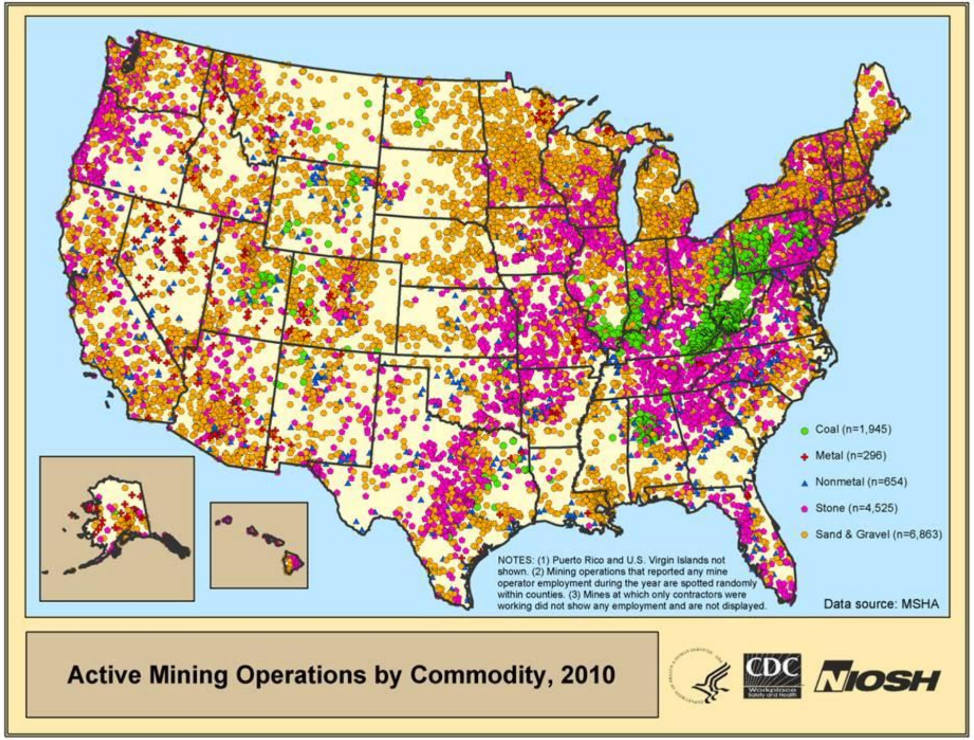
Toughest Challenges



Four groups of contaminants:

1 - Dissolved organic matter (alcohols, acids, aldehydes, short chain sugars etc.),
2 - Inorganic macro components (common cations and anions including sulfate, chloride, iron, aluminum, zinc and ammonia),
3 - Heavy metals (Pb, Ni, Cu, Hg), and
4 - Xenobiotic organic compounds such as halogenated organics, (PCBs, dioxins, etc.).

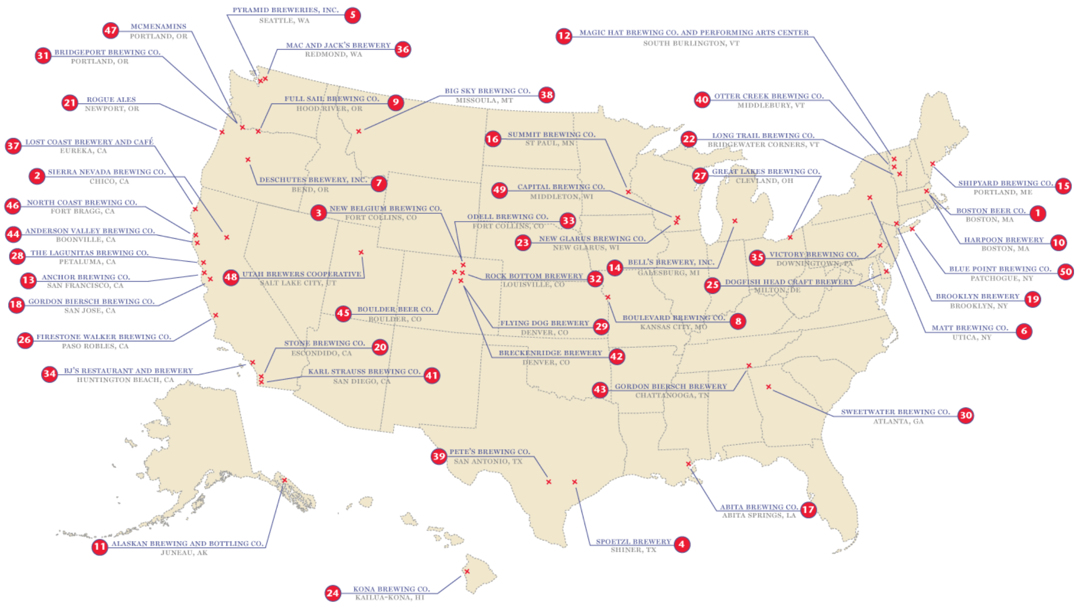
Mining – Effluent Challenges



Potential contaminants: Dissolved arsenic, copper, led, nickel, zinc, cyanide, radium-226, total suspended solids, pH and toxicity

Purification & Effluent Treatment

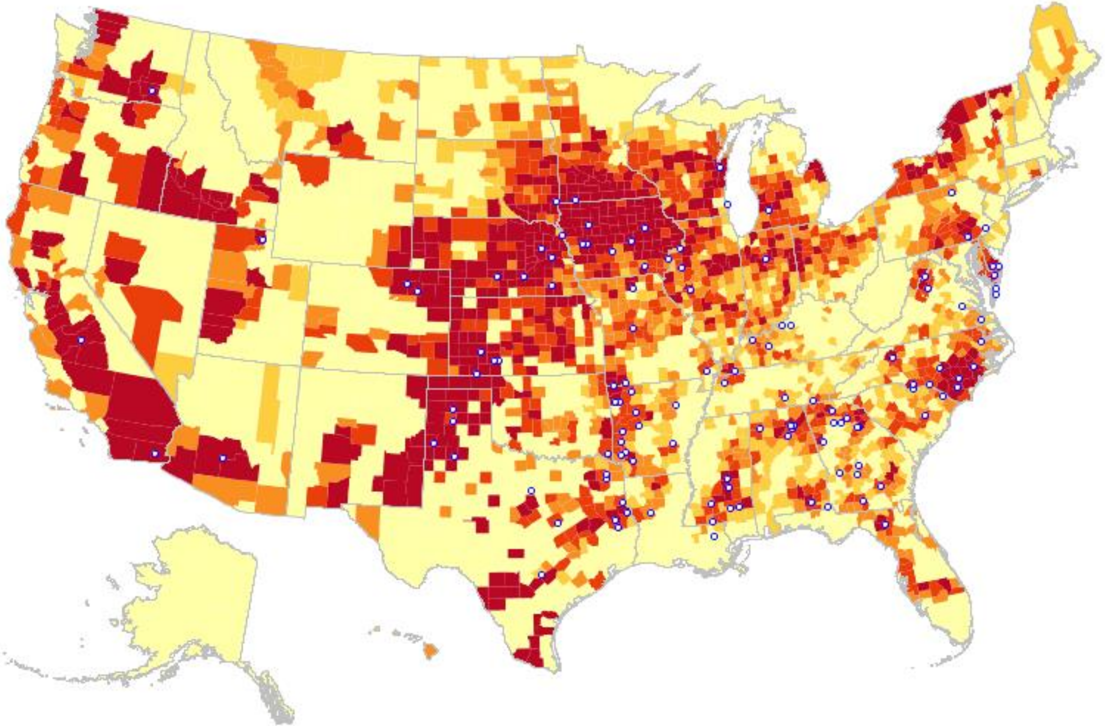
TOP 50 CRAFT BREWERS IN AMERICA



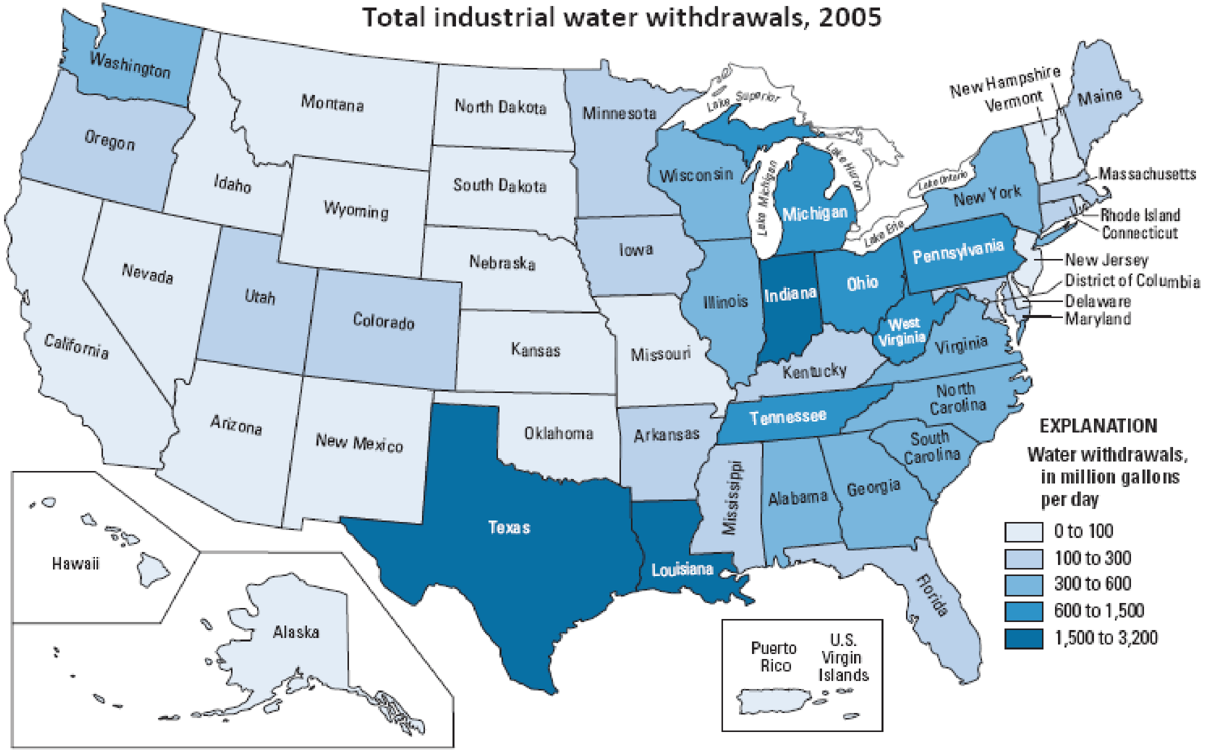
sloshspot.com

SOURCE: BREWERS ASSOCIATION TOP 50 LIST
(BASED ON BEER SALES VOLUME)

Meat Farms – Effluent Challenges



Huge Variety of Challenges



What Does The Market Want?

- End users do not have nor want in-house expertise.
- End users do not want just a pump or a membrane or ….
- End users want/need a complete solutions.
- End users want guaranteed performance.
- End users want excellent customer service.
- End users want the best pricing.

Typical Service Suppliers

- Large service suppliers such as Veolia, Suez, Nalco ….
  - Typically deal with large projects.
  - Typically supported by engineering firms who design infrastructure.
  - Typically lower service levels with less than entrepreneurial spirit.
- Smaller service suppliers or system integrators like: Progressive Water, Pure Aqua, Dynatech, AdEdge, Harn ….
  - Typical projects range from $25K to $5M.
  - Very customer oriented with great customer service.
  - Support from equipment and chemical suppliers

Fragmented US Services Market

- Over 100 U.S. local and regional solution providers with…
  - Established customer bases, high percent of repeat clients.
  - Specialization: potable, power, process, waste…
  - Strengths: membranes, media, chemicals…
  - Highly personalized customer service…
  - Limited sales representation and marketing scope.
- Companies are owner-operated, entrepreneurial.

> “This is a highly fragmented and regulated industry with limited competition for complete service providers”*

* Heckmann to Acquire Thermo Fluids (2012)

How Solution Providers Provide Better Service to End Users?

- By networking together in a Group:
  - Share market and application solution knowledge
  - Bring new technologies to solve a treatment problem.
  - Better performance with more effective designs.
  - Lower costs with better manufacturing expertise.
  - Lower costs by sharing engineering and manufacturing capacity.
  - Consolidate corporate outsourcing to national accounts.
  - Better long term service programs from regional “partners”.

Group Benefits

- What are the benefits to my company?
  - Access to new business through the Group's customers.
  - Access to new technology and manufacturing expertise.
  - Access to the Group's national sales rep network.
  - Access to more bid opportunities.
  - Access to new service opportunities.
  - Access to financing.
  - Access to PR, website development & eCommerce
- Bottom line is higher sales growth and more profits while maintaining my independent operation.

Why Join the Group?

- Answers questions you have been asking yourself:
  - How can I build on my success and take it to the next level?
  - How can I gain maximum advantage?
  - How can I keep my decision making independence?
  - How can I gain personal liquidity and exit strategy?

Why Join the Group?

- What does it personally mean to owners?
  - Personally gain from your company’s standalone growth.
  - Personally gain from your company’s growth due to the Group.
  - You maintain your brand and independent decision making.
  - Your employees benefit from company growth and stock options.
  - You participate the Group Business Team for future growth.
  - You participate in the appreciation of OriginClear stock.

Management Team

OriginClear

Riggs Eckelberry	Founding Chairman and CEO	Multiple dotcom exits including Yellowpages.com in 2004. Prepped CyberDefender for NASDAQ IPO mid 2000s.
Jean-Louis Kindler	President, OriginClear Technologies	Co-founder of OC joint venture Ennesys. CEO MHS Equipment (42 M€, 360 employees in 2008)
Bill Charneski	President, OriginClear Group	15 years Dow Chemical in management, sales; acquisition and innovation track record.
Marc Stevens	President, Progressive Water Treatment	Over 15 years, built PWT into solid water player with outstanding reputation.