Aris Water Solutions, Inc. – Earnings Presentation

3rd Quarter 2021

Forward Looking Statements

Forward-Looking Statements

Certain statements contained in this presentation that are not descriptions of historical facts are "forward-looking statements." When we use words such as "will," "intend," "believe," "expect," "anticipate," "project," "illustrative," "estimated" or similar expressions that do not relate solely to historical matters, we are making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause our actual results to differ materially from our expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the severity and duration of global adverse health events, including the novel coronavirus ("COVID-19") pandemic; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus; the potential deterioration of our customers' financial condition, including defaults resulting from actual or potential insolvencies; the level of capital spending and development by oil and gas companies; the impact of current and future laws, rulings and federal and state governmental regulations; the degree to which consolidation among our customers may affect spending on U.S. drilling and completions in the near-term; our reliance on a limited number of customers and a particular region for substantially all of our revenues; our ability to successfully implement our business plan; regional impacts to our business, including our infrastructure assets within the Delaware Basin and Midland Basin formations of the Permian Basin; and our access to capital to fund expansions, acquisitions and our working capital needs and our ability to obtain debt or equity financing on satisfactory terms. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. You are cautioned not to place undue reliance on any forward-looking statements. Except as otherwise required by applicable law, we undertake no obligation to update any forward-looking statements, all of which are expressly qualified by this cautionary statement, to reflect events or circumstances after the date of this presentation.

Industry and Market Data

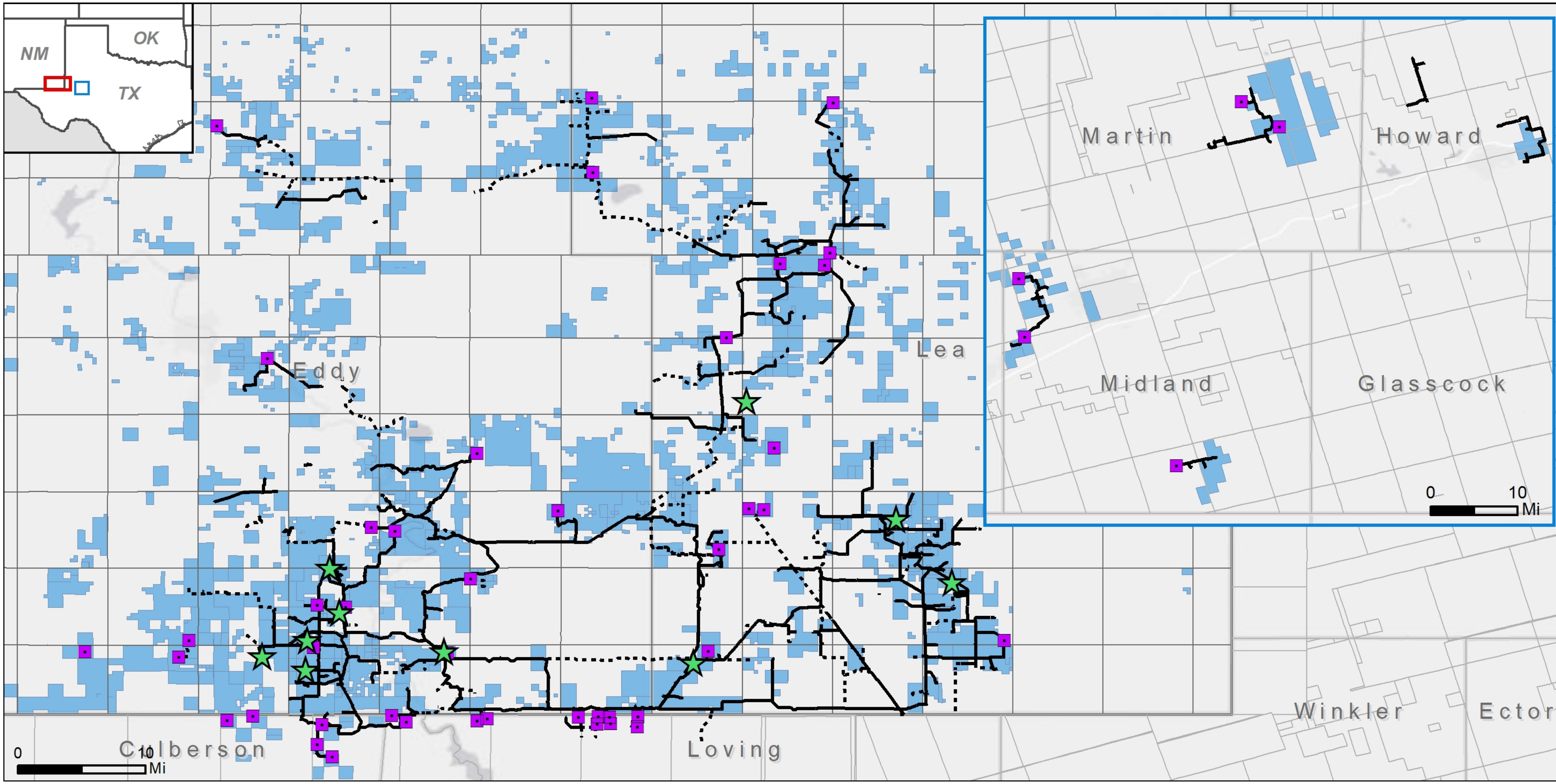
Market and industry data and forecasts used in this presentation have been obtained from independent industry sources as well as from research reports prepared for other purposes. We also cite certain information from media and other third-party sources. Although we believe these third-party sources to be reliable, we have not independently verified the data obtained from these sources and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this presentation. Statements as to our market position are based on market data currently available to us, as well as management's estimates and assumptions regarding the size of our markets within our industry. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. As a result, we cannot guarantee the accuracy or completeness of such information contained in this presentation.

Non-GAAP Financial Measures

In this presentation, we use certain non-GAAP performance measures to evaluate current and past performance and prospects for the future to supplement our GAAP financial information presented in accordance with GAAP. These non-GAAP financial measures are important factors in assessing our operating results and profitability. A reconciliation of non-GAAP measures to the most directly comparable GAAP measures is contained in the appendix to this presentation.

Overview of Aris Water System

Asset Footprint



Aris Infrastructure
Produced Water Pipeline
Right of Way
Water Handling Facility
Water Recycling Facility
Customer Acreage
Contracted

Asset Highlights as of September 30, 2021	
Miles of Pipeline	>660
Produced Water Handling Capacity	>1,200 kbwpd (Across 48 facilities)
Water Recycling Capacity	~600 kbwpd
Dedicated Acres	>570,000

Key Business Strengths

- ***Innovative, Sustainable and High-Growth Full-Cycle Water Management***
- ***Established ESG Leader with a Demonstrated Track Record***
- ***Leading Market Position in the Core of the Permian***
- ***Long-Term Contracts with Blue-Chip Customers***
- ***Conservative Capital Structure and Ability to Return Capital***
- ***Proven and Experienced Management Team***

3Q 2021 Highlights

3Q 2021 Operational Highlights

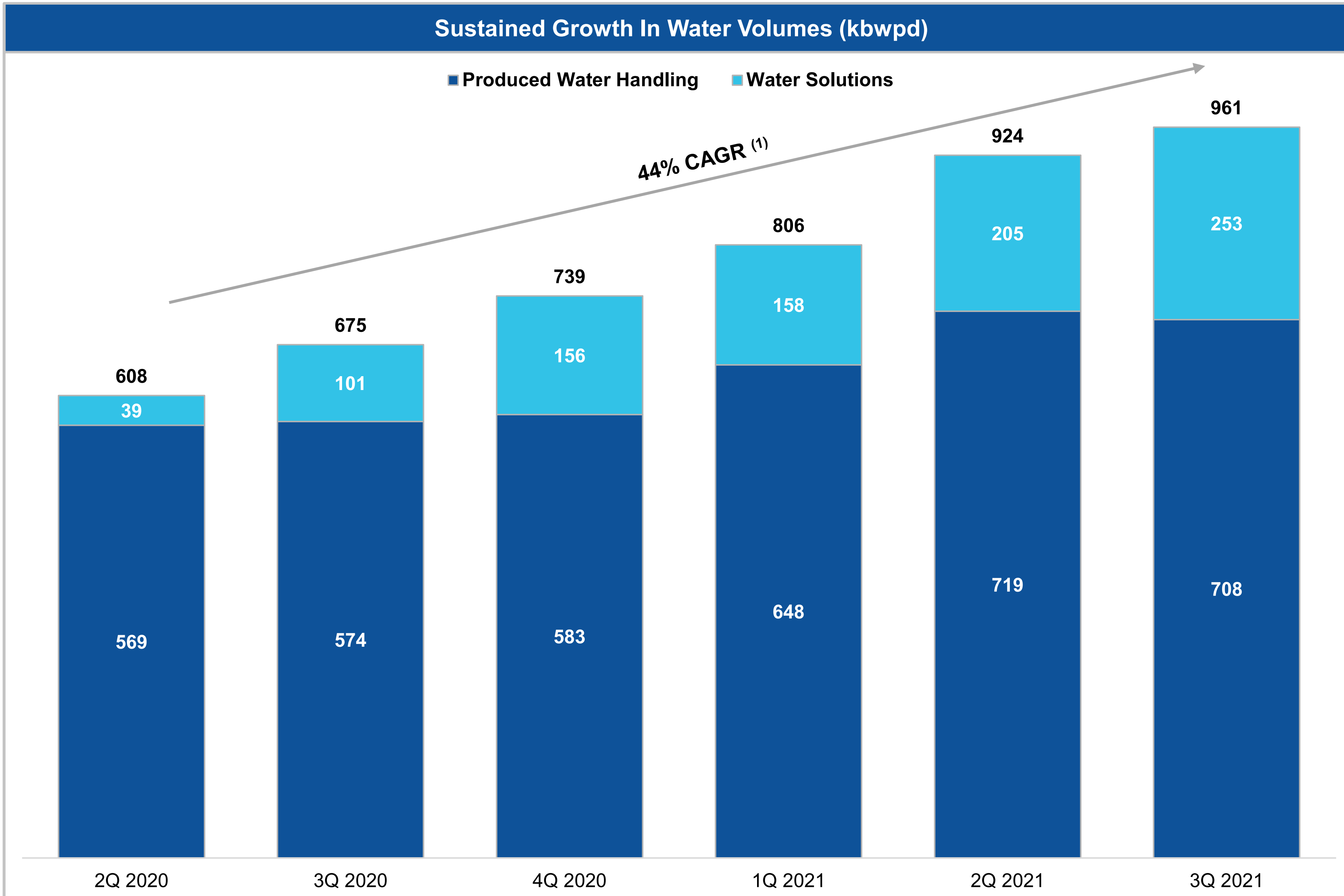
- ✓ Strong continued growth: **record total water volumes handled** of 961k bwpd, up 42% vs. 3Q 2020
- ✓ **Recycled water volumes sold** of 130k bwpd, up 195% vs. 3Q 2020
- ✓ **Record percentage of sourced water recycled (61%),** directly displacing groundwater that would otherwise be drawn from local aquifers
- ✓ **Executed four new long-term acreage dedications** covering approximately **20,000 newly dedicated acres** with a weighted average life of approximately **10 years**

3Q 2021 Financial Highlights

- ✓ **Record Adjusted EBITDA of $30.8 million**, up 56% vs. 3Q 2020
- ✓ Adjusted Operating Margin of $36.0 million, up 51% vs. 3Q 2020
- ✓ Capital Expenditures of approximately $20.4 million supporting long-term contracted growth (1)
- ✓ **Positive Free Cash Flow** (2) of $6.1 million

(1) Capital expenditures as calculated on a cash basis
(2) Free Cash Flow is a non-GAAP measure. See definition of Free Cash Flow and a reconciliation to the most directly comparable GAAP measure in the Appendix.

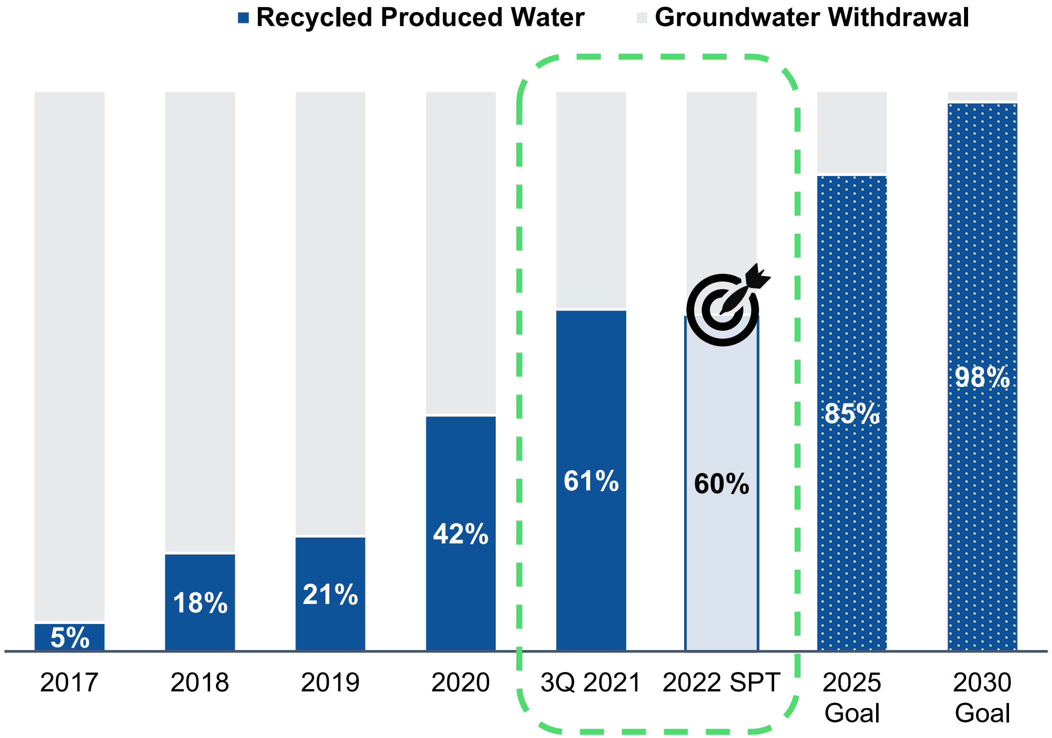
Continued Record Volume Growth



(1) CAGR assumes 1.25 years.

Exceeding our Commitments on ESG

% Breakdown of Total Water Supply



Aris Issued the First Sustainability-Linked Notes in the Produced Water Infrastructure Industry

- In April 2021, we issued the first Sustainability-Linked Notes in the produced water infrastructure industry based on an opinion commissioned by ISS ESG
- The coupon on the notes is tied to a Sustainability Performance Target ("SPT") that measures the proportion of recycled produced water sold to total water volumes sold
- Our SPT is to increase annual barrels of recycled produced water to 60% during 2022 from a 2020 baseline of 42.1%; **we exceeded our 2022 target in 3Q 2021**

ESG Achievements

2.1 billion Gallons of produced water recycled since we began recycling at scale in July 2019

>50% Minority / female employee representation

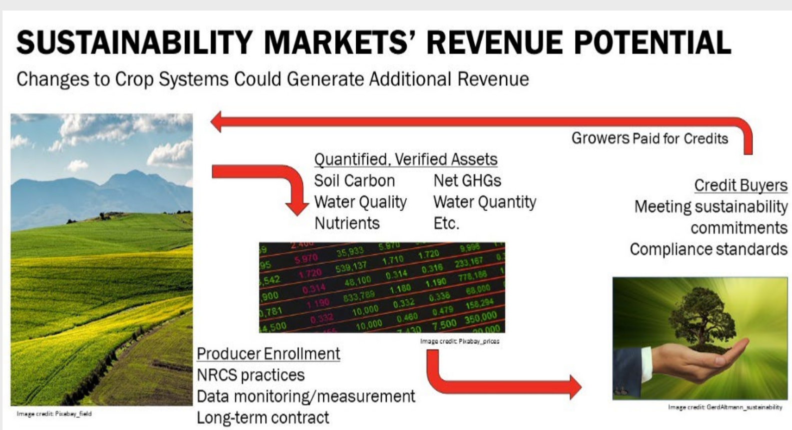
~4.2 million Truck trips eliminated since July 2019

38% Minority / female Board representation

~372,000 Metric tons of CO_2e avoided since July 2019

Future of Produced Water for Beneficial Reuse

- **Aris is actively evaluating future beneficial reuse**
- **The future potential beneficial uses of produced water include:**
  - Recharging aquifer systems
  - Irrigation for non-food agriculture
  - Restoration of rangeland grasses for carbon sequestration and carbon credits
  - Mineral recovery including caustic, HCL, bromine, lithium and other rare earth metals
- **Current indicative projects underway that we are leading or providing primary support:**
  - **2021 Department of Energy Project, ~$4,000,000 Funding**
    - Optimization Framework for Produced Water Management and Beneficial Reuse
  - **2021 Texas A&M University Pilot**
    - Piloting underway using Aris treated produced water to evaluate irrigation to grow cotton, building off the 2016 Texas A&M University feasibility study using blended produced water to grow cotton



Source: American Farm Bureau Federation, 2021.

Engaged with a Network of Industry, Educational and Governmental Partnerships

NM STATE UNIVERSITY

A&M

THE STATE LEGISLATURE OF NEW MEXICO 1912

NEW MEXICO ENVIRONMENT DEPARTMENT

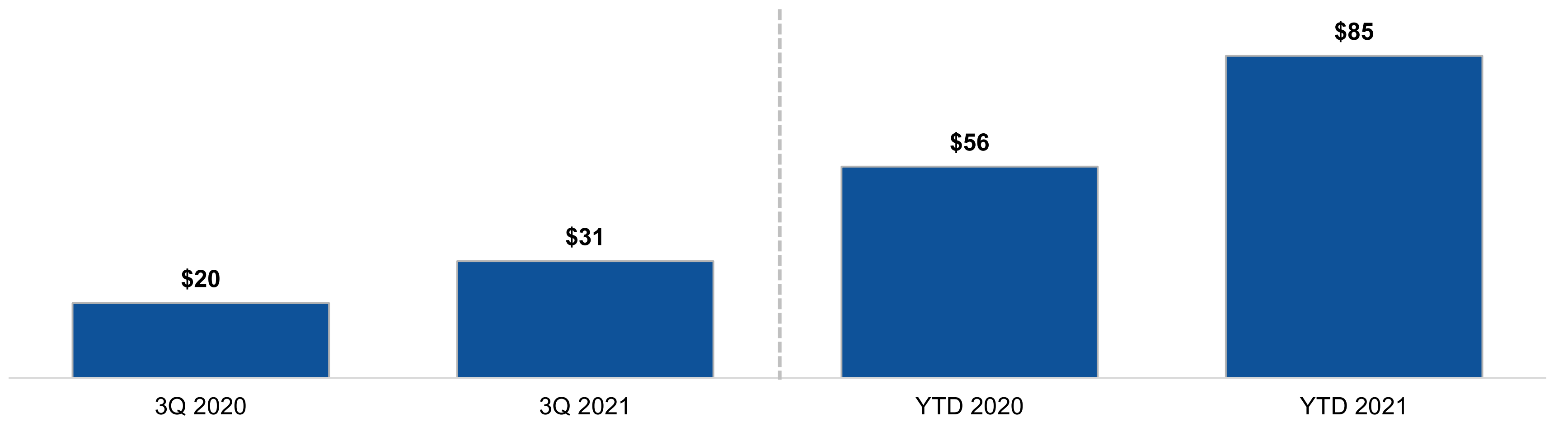
U.S. DEPARTMENT OF ENERGY

PRODUCED WATER SOCIETY

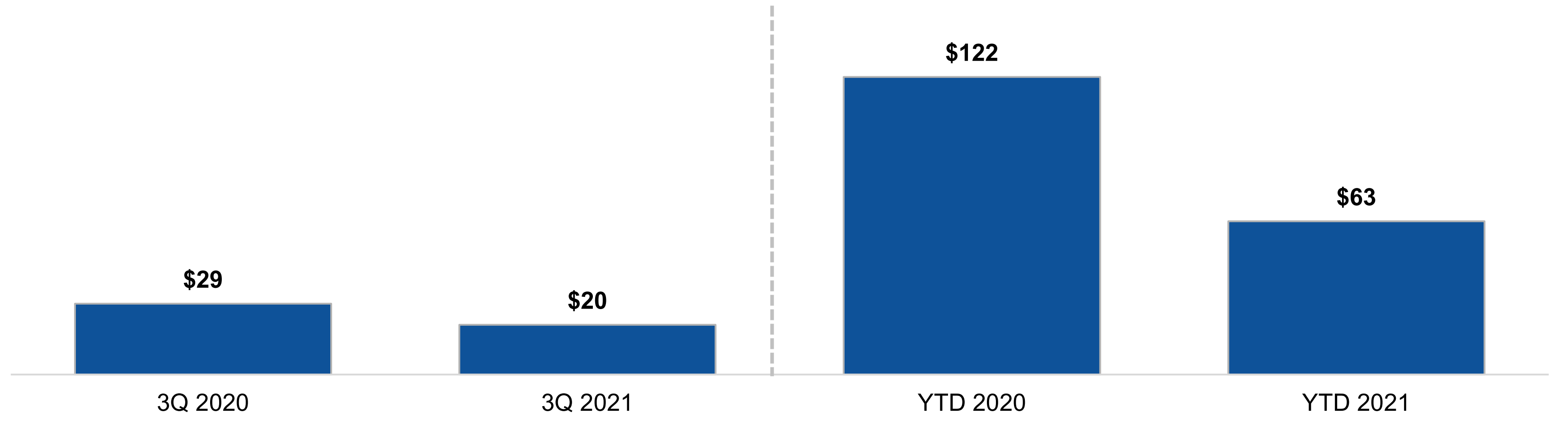
OILFIELD WATER STEWARDSHIP COUNCIL

Aris Water 3Q21 Financial Summary

Adjusted EBITDA[1] ($ MM)



Capital Expenditures [2] ($MM)



(1) Adjusted EBITDA is a non-GAAP measure. See definition of Adjusted EBITDA and a reconciliation to the most directly comparable GAAP measure in the Appendix.
(2) Capital expenditures calculated on a cash basis.

Aris Water is the Pioneer of Cost-Effective, Full-Cycle Water Management

Full-Cycle Water Management

- Diverse revenue streams provide a reliable base business with significant upside potential
- Growing Permian Basin completion activity and produced water driving demand for our services
- Customers increasingly depend on our expansive network to achieve their sustainability goals

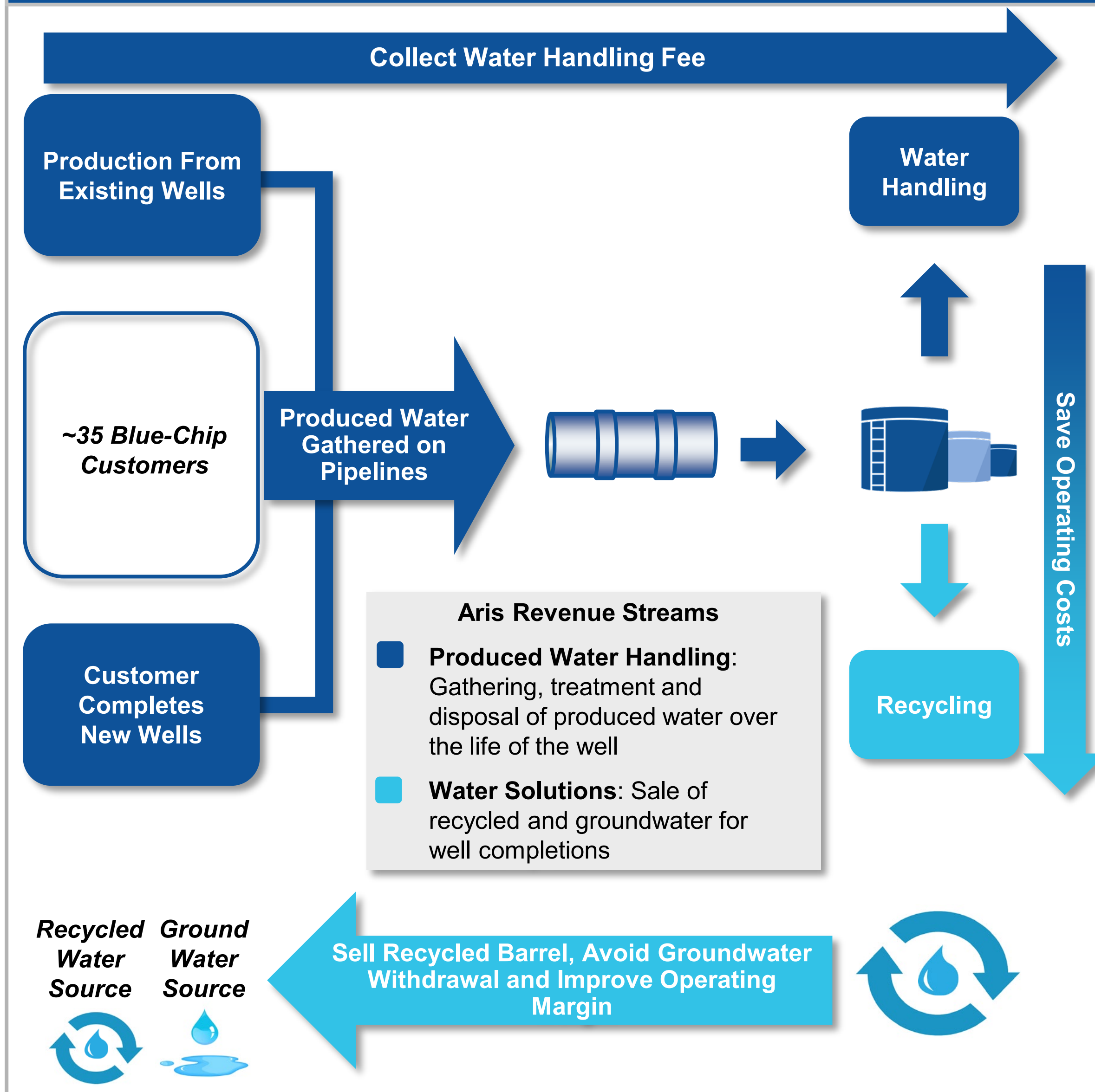
Commercial Advantages

- Significant contracted volumes of produced water gathered on our systems ensures reliable supply of recycled produced water
- Contracted Water Solutions relationships with our key customers provides visibility to growth

Operational Advantages

- Significant inventory of pipeline right of way, produced water handling and water recycling permits
- Prior capital investment on the gathering system enables water recycling and acts as a barrier to entry for potential competitors

Full-Cycle Water Management Business Model



Appendix

Appendix: Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have included certain financial measures that are not calculated in accordance with GAAP in this presentation including Adjusted EBITDA, Adjusted Operating Margin and Adjusted Operating Margin per Barrel. We believe these non-GAAP financial measures provide information useful to investors in assessing our financial condition and results of operations, as well as providing investors with a means to compare our performance via an enhanced perspective of the operating performance of our assets and the cash our business is generating. However, these measures are not prescribed by GAAP and should not be considered as alternatives to GAAP net income (loss) or net cash provided by (used in) operating activities. Non-GAAP financial measures have important limitations as analytical tools and should not be viewed in isolation. These measures may be defined differently by other companies in our industry.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), plus interest expense, income taxes, depreciation, amortization and accretion expense, plus any impairment charges, abandoned project charges or asset write-offs, plus non-cash losses on the sale of assets or subsidiaries, losses on sale of assets, and non-recurring, extraordinary or unusual expenses or charges, including temporary power costs, litigation expenses, severance expenses and transaction costs, less any gains on sale of assets.

We believe this presentation is used by investors and professional research analysts for the valuation, comparison, rating, and investment recommendations of companies within our industry. Additionally, we use this information for comparative purposes within our industry. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to net income (loss). Adjusted EBITDA as defined by us may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating margin, operating income or cash flows from operating activities. Adjusted EBITDA should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP.

The following table sets forth a reconciliation of net income as determined in accordance with GAAP to Adjusted EBITDA for the periods indicated ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income (loss)	**$ (20,743)**	**$ 1,062**	**$ (13,367)**	**$ (275)**
Interest expense, net	7,880	2,099	17,855	5,364
Income tax (benefit) expense	(83)	9	(81)	15
Depreciation, amortization and accretion	15,378	11,751	45,550	31,529
Abandoned well costs	27,402	-	27,402	-
Abandoned projects	679	368	2,035	1,501
Temporary power costs (1)	-	3,548	4,253	12,669
Loss on disposal of asset, net	8	15	225	82
Loss on debt modification	-	-	380	-
Transaction costs (2)	253	172	330	3,271
Settled litigation (3)	-	714	-	1,311
Severance & other	-	-	221	190
Adjusted EBITDA	**$ 30,774**	**$ 19,738**	**$ 84,803**	**$ 55,657**

(1) In the past, we constructed assets in advance of permanent grid power infrastructure availability to secure long-term produced water handling contracts. As a result, we rented temporary power generation equipment that would not be necessary if grid power connections were available. Our estimated incremental impact of these temporary power expenses are calculated by taking temporary power and temporary rental expenses incurred during the period and subtracting estimated expenses that would have been incurred during such period had permanent grid power been available. Power infrastructure and permanent power availability rapidly expanded in the Permian Basin in 2020 and through the first half of 2021, and accordingly, we made significant progress in reducing these expenses. Our temporary power expenses have been substantially eliminated by the end of the second quarter of 2021.

(2) Transaction Costs are primarily related to certain advisory and legal expenses associated with a recapitalization process that was terminated in first quarter 2020 and acquisition expenses associated with Concho Lea County Acquisition in June 2020.

(3) Settled Litigation is primarily related to legal expenses associated with a right-of-way dispute that was successfully settled in arbitration.

Appendix: Non-GAAP Financial Measures (cont'd)

Adjusted Operating Margin and Adjusted Operating Margin per Barrel

We define Adjusted Operating Margin as Gross Margin plus depreciation, amortization and accretion and temporary power costs. We define Adjusted Operating Margin per Barrel as Adjusted Operating Margin divided by total volumes.

We believe this presentation is used by investors and professional research analysts for the valuation, comparison, rating, and investment recommendations of companies within our industry. Additionally, we use this information for comparative purposes within our industry. Adjusted Operating Margin and Adjusted Operating Margin per Barrel are not measures of financial performance under GAAP and should not be considered as measures of liquidity or as alternatives to net income (loss). Adjusted Operating Margin and Adjusted Operating Margin per Barrel as defined by us may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating margin, operating income or cash flows from operating activities. Adjusted Operating Margin and Adjusted Operating Margin per Barrel should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP.

The following table sets forth a reconciliation of total revenue as determined in accordance with GAAP to Adjusted Operating Margin and Adjusted Operating Margin per Barrel for the periods indicated ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Gross Margin (1)	**$ 20,624**	**$ 8,498**	**$ 50,019**	**$ 23,379**
Temporary Power Costs (2)	-	3,548	4,253	12,669
Depreciation, Amortization and Accretion	15,378	11,751	45,550	31,529
Adjusted Operating Margin	**$ 36,002**	**$ 23,797**	**$ 99,822**	**$ 67,577**
Total Barrels Handled, Sold or Transferred (mmbw)	88	62	245	183
Adjusted Operating Margin per Barrel	**$ 0.41**	**$ 0.38**	**$ 0.41**	**$ 0.37**

(1) Gross Margin is calculated as Total Revenue less Cost of Revenue for the applicable period.
(2) In the past, we constructed assets in advance of permanent grid power infrastructure availability to secure long-term produced water handling contracts. As a result, we rented temporary power generation equipment that would not be necessary if grid power connections were available. Our estimated incremental impact of these temporary power expenses was $1.6 million and $3.9 million for the three months ended June 30, 2021 and 2020, respectively. These estimates are calculated by taking temporary power and temporary rental expenses incurred during the period and subtracting estimated expenses that would have been incurred during such period had permanent grid power been available. Power infrastructure and permanent power availability rapidly expanded in the Permian Basin in 2020 and through the first half of 2021, and accordingly, we made significant progress in reducing these expenses. Our temporary power expenses have been substantially eliminated by the end of the second quarter of 2021.

Appendix: Non-GAAP Financial Measures (cont'd)

Free Cash Flow

We define Free Cash Flow as Cash Flow from Operating Activities less cash spent on property plant and equipment.

We believe this presentation is used by investors and professional research analysts for the valuation, comparison, rating, and investment recommendations of companies within our industry. Additionally, we use this information for comparative purposes within our industry. Free Cash Flow is not a measure of financial performance under GAAP and should not be considered as measures of liquidity or as alternatives to net income (loss). Free Cash Flow as defined by us may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating margin, operating income or cash flows from operating activities. Free Cash Flow should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP.

The following table sets forth a reconciliation of Cash Flow from Operating Activities as determined in accordance with GAAP to Free Cash Flow for the periods indicated ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Cash Flow from Operating Activities	**$ 26,496**	**$ 9,639**	**$ 57,186**	**$ 50,550**
Less: Cash Spent on Property, Plant and Equipment	(20,375)	(29,254)	(62,728)	(121,835)
Free Cash Flow	**$ 6,121**	**$ (19,615)**	**$ (5,542)**	**$ (71,285)**

Glossary of Terms

Adjusted EBITDA = Net income (loss), plus interest expense, income taxes, depreciation, amortization and accretion expense, plus any impairment charges, abandoned project charges or asset write-offs, plus non-cash losses on the sale of assets or subsidiaries, losses on sale of assets, and non-recurring, extraordinary or unusual expenses or charges, including temporary power costs, litigation expenses, severance expenses and transaction costs, less any gains on sale of assets.

Adjusted Operating Margin = Gross margin plus depreciation, amortization and accretion expense and plus temporary power costs. We define Adjusted Operating Margin per Barrel as Adjusted Operating Margin divided by the total number of barrels handled, sold or transferred.

AMI = Area of mutual interest.

Bbl = One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil, NGLs, water, or other liquid hydrocarbons.

Boe = One barrel of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil.

Bwpd = Barrels of water per day. A unit of measurement for the daily volume of produced water.

Completions = The installation of equipment for production of oil, gas, and/or NGLs, or in the case of a dry hole, the reporting to the applicable authority that the well has been abandoned.

CO2e = Carbon dioxide equivalent.

Delaware Basin = A geologic depositional and structural basin in West Texas and southern New Mexico, which is a part of the Permian Basin.

ESG = Environmental, Social and Governance.

GHG = Greenhouse gas.

K = Thousand.

KPI (Recycling) = Increase recycled produced water sold and reduce groundwater withdrawals sold expressed as a percentage of barrels of recycled produced water sold per year divided by total barrels of water sold per year.

LOE = The expenses incurred in the lifting of oil, gas, and/or NGLs from a producing formation to the surface, constituting part of the current operating expenses of a working interest, and also including labor, superintendence, supplies, repairs, maintenance, allocated overhead costs, and other expenses incidental to production, but not including lease acquisition, drilling, or completion costs.

M = Thousand.

MM = Million.

Midland Basin = A geologic depositional and structural basin in West Texas and Southern New Mexico, which is a part of the Permian Basin.

Net Debt = Calculated as total debt less cash and cash equivalents.

MVC = Minimum volume commitment.

Permian Basin = A large sedimentary basin located in West Texas and Southeastern New Mexico.

Produced Water Handling = Gathers, transports and, unless recycled, handles produced water generated from oil and natural gas production.

Sustainability Performance Target = Increase annual Recycling KPI to 60% by 2022 from a 2020 baseline of 42.1%, with an observation date of December 31, 2022.

Water Solutions = Develops and operates recycling facilities to treat, store and reuse recycled produced water.

WOR = Water to oil ratio.

ARIS® WATER

Sustainable
Water
Management