Investor Presentation

May 15, 2023

NASDAQ: ERII

FORWARD-LOOKING STATEMENT

This presentation contains forward-looking statements within the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this report include, but are not limited to, statements about our expectations, objectives, anticipations, plans, hopes, beliefs, intentions, or strategies regarding the future. Forward-looking statements that represent our current expectations about future events are based on assumptions and involve risks and uncertainties. If the risks or uncertainties occur or the assumptions prove incorrect, then our results may differ materially from those set forth or implied by the forward-looking statements. Our forward-looking statements are not guarantees of future performance or events. Words such as “expects,” “anticipates,” “believes,” “estimates,” variations of such words, and similar expressions are also intended to identify such forward-looking statements.

These forward-looking statements are subject to risks, uncertainties, and assumptions that are difficult to predict; therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date of this presentation. All forward-looking statements included in this presentation are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected in the forward-looking statements, as disclosed from time to time in our reports on Forms 10-K, 10-Q, and 8-K as well as in our Annual Reports to Stockholders and, if necessary, updated in our quarterly reports on Form 10 Q or in other filings. We assume no obligation to update any such forward-looking statements. It is important to note that our actual results could differ materially from the results set forth or implied by our forward-looking statements.

LEVERAGING THE PX TECHNOLOGY PLATFORM

Our solutions reduce waste and energy consumption

We revolutionized seawater reverse osmosis (SWRO) desalination, reducing energy costs by up to 60%*

We are expanding our pressure exchanger technology to handle commercial applications in other industries

We seek to achieve long-term sustainable growth by accelerating the environmental sustainability of our customers' operations

**Energy Recovery estimate*

ONGOING STRONG FUNDAMENTALS

Rapid Growth

23% Avg. Product Revenue Growth, 2015-2022

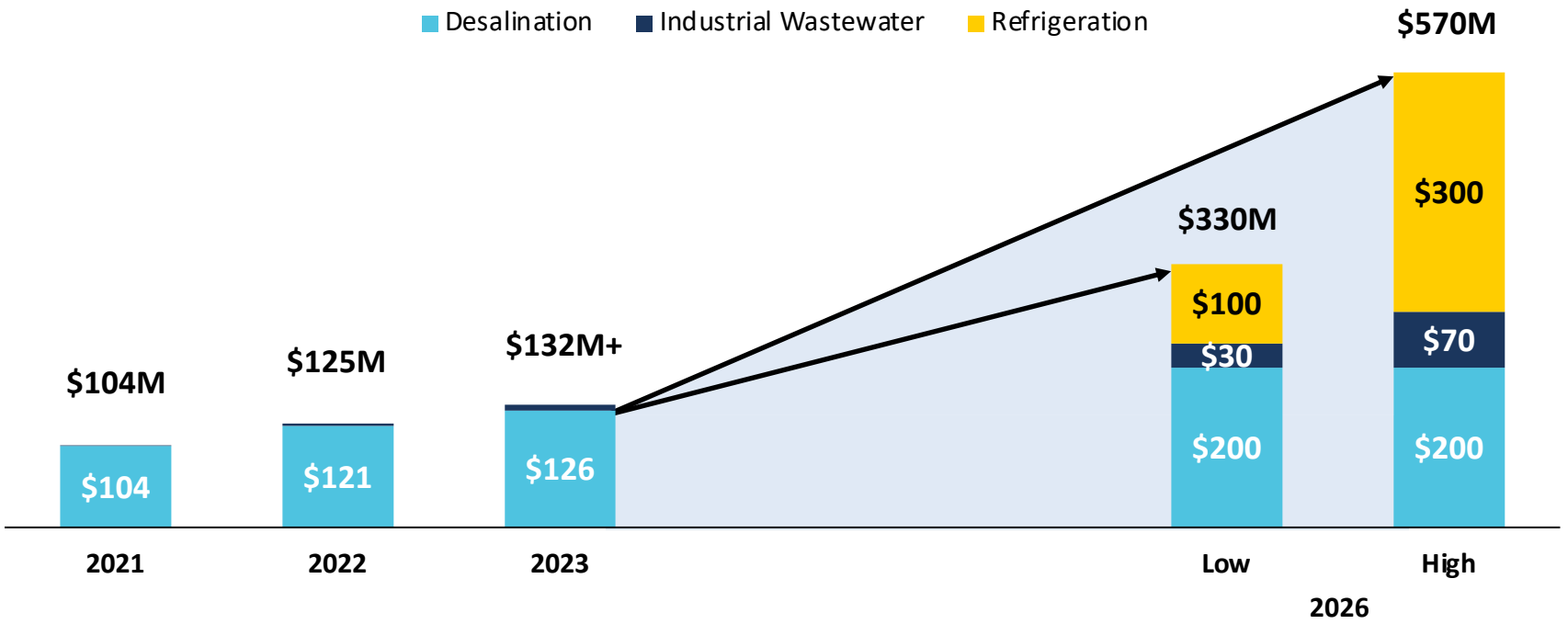
High Margin

c.70% Avg. Product Gross Margin FY2022

Strong Balance Sheet

$99M Cash & Securities and ***NO DEBT***

TARGETING 25% – 40% AVERAGE REVENUE GROWTH

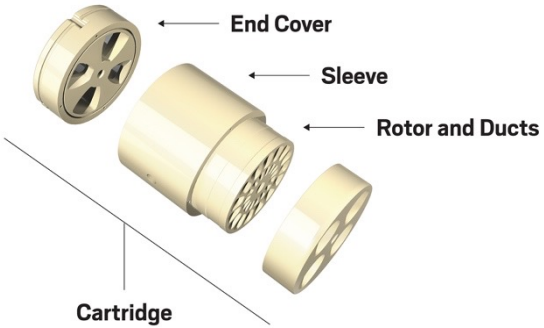


***Note**: These revenue growth range goals, long-term vision and similar statements illustrate possible outcomes of our different segment strategies. These growth illustrations should not be treated as forecasts, projections or financial guidance. We cannot assure that we will be able to accomplish these goals, metrics or opportunities in the future, all of which are subject to significant risks and uncertainties as set forth under Risk Factors in our Annual Report on Form 10-K.*

THE PX IS ENERGY RECOVERY'S CORE TECHNOLOGY

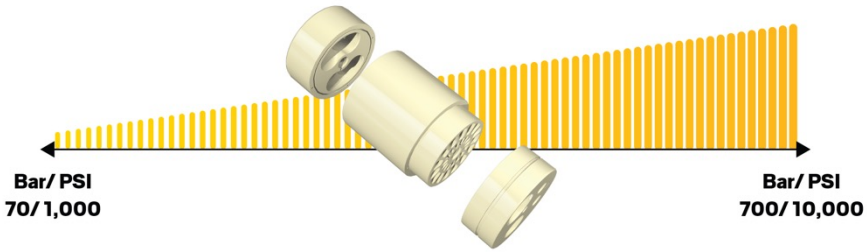
Anatomy of a Pressure Exchanger

Transfers energy from high-pressure to low-pressure fluids (both liquids and gas) through continuously rotating ducts with only one moving part (the rotor)



- Best-in-class energy recovery application
- Unmatched low life-cycle costs
- Pressure exchanger technology works as a platform to build product applications
- The technology is versatile and can handle liquid, gas, and a range of pressures
- Benefits include lower lifecycle cost and energy use in industrial fluid-flow systems

Pressure Exchanger Technology Operating Range

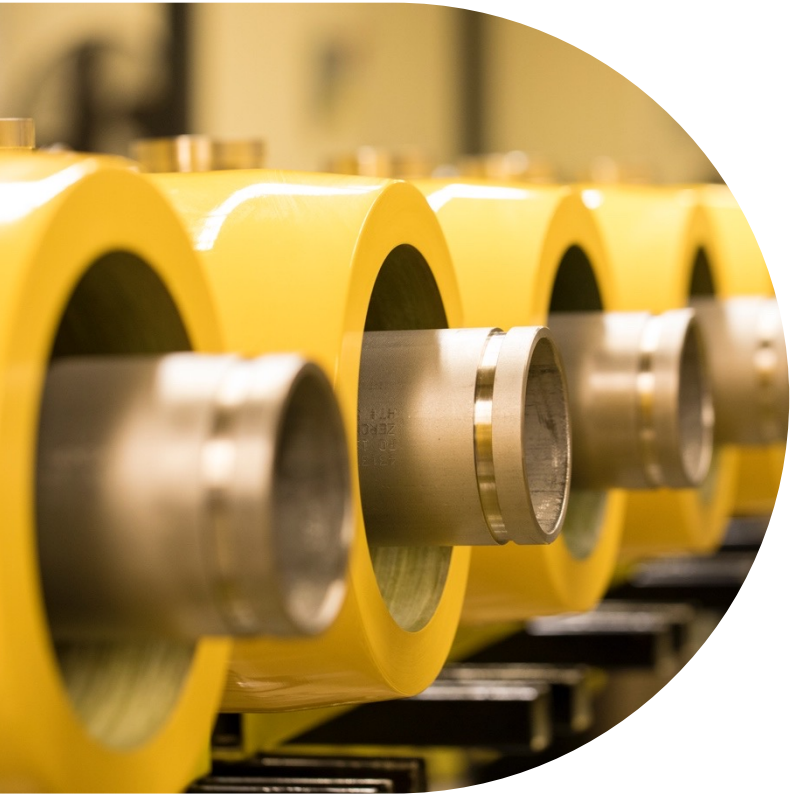


Pressure Exchanger can handle liquid, gas, liquid with suspended solids and supercritical fluids

Excels in a Wide-Range of Pressure Applications

This versatile technology acts as a fluid piston, efficiently transferring energy between high- and low-pressure fluids and gases through continuously rotating ducts

INDUSTRIES BENEFITING FROM PX TECHNOLOGY

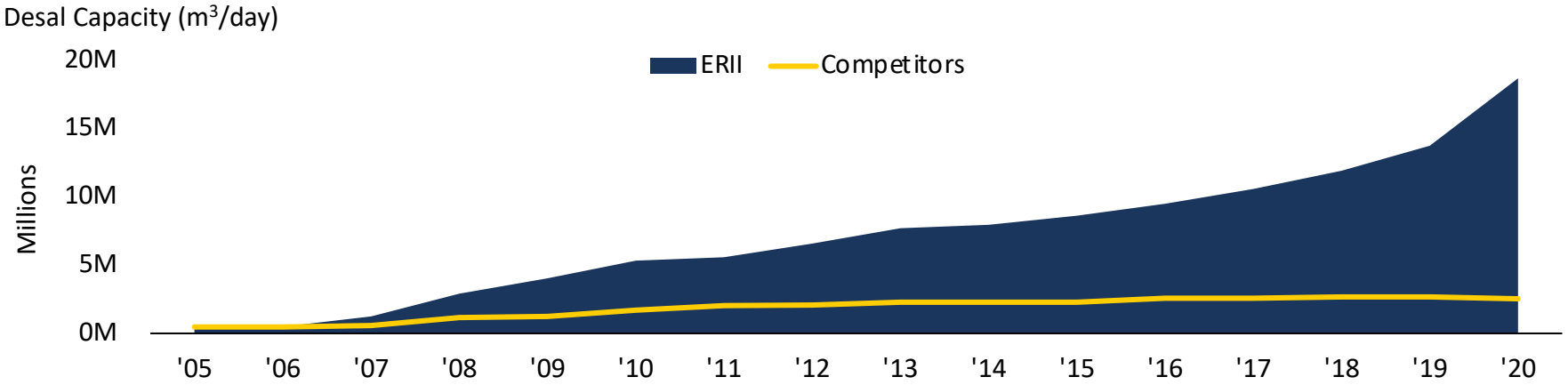


- Water Desalination
- Industrial Wastewater Treatment
- CO_2 Refrigeration

SWRO AND INDUSTRIAL WASTEWATER TREATMENT

OUR PX PLATFORM HAS COME TO DOMINATE LARGE SCALE SWRO DESALINATION

Cumulative Won Mega Project[1]



Technology Strength = High Margin

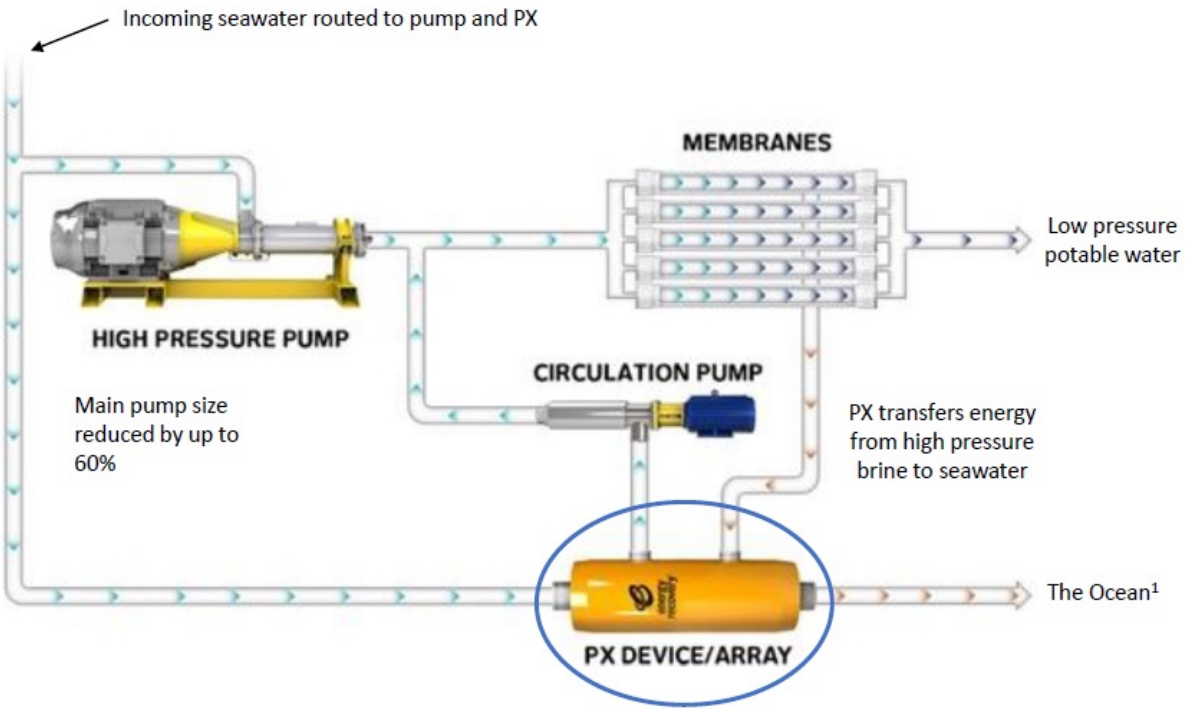
70% ERII Gross Margin[2]

25% Russell 2000 Industrials

Our Pressure Exchanger is designed for a 25-year life, needs no maintenance, and has up to 98% efficiency – an unrivaled quality that translates into high profitability

[1]Mega Projects produce 50,000 cubic meters or more of water per day; [2]2022 FY Reported Avg. Gross Margin

PX IN ACTION: SWRO

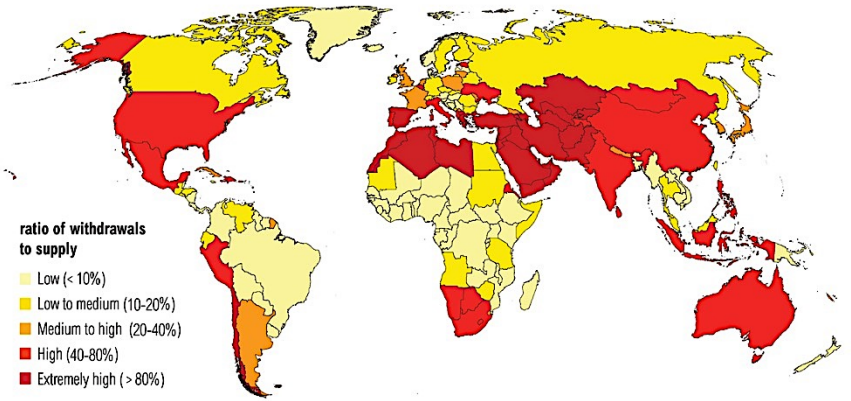


PX lowers energy consumption by up to 60%

WORLD-WIDE DEMAND FOR FRESH WATER CONTINUES TO OUTSTRIP SUPPLY

The United Nations estimates a 40% gap in freshwater supplies by 2030 – equivalent to 75% of the Mediterranean Sea

Water Stress by Country: 2040



NOTE: Projections are based on a business-as-usual scenario using SSP2 and RCP8.5.

THE WORLD NEEDS MORE WATER

FINANCIAL TIMES

No end to crisis in sight as drought grips India's Chennai

MEED
Middle East business intelligence

Saudi Water Partnership Company has released its Seven-Year Statement for 2020-26

The Washington Post

Africa's largest dam powers dreams of prosperity in Ethiopia – and fears of hunger in Egypt

The New York Times

China's Record Drought Is Drying Rivers and Feeding Its Coal Habit

abc NEWS

Hot, dry summer: Dutch government declares water shortage

CBS

Millions at risk of power and water shortages as two of the nation's largest reservoirs on the brink of "dead pool status," U.N. warns

PX TECHNOLOGY IS ADDRESSING THE GLOBAL WATER SUPPLY GAP

Desalination

Addressable Market

- Targeting sales of ~$200M by 2026[1]
- 10-20% projected avg. annual market growth through 2030[1]

Market Drivers

- Freshwater scarcity/declining resources
- Water-stressed regions
- Rising population
- Abundance of seawater

Geopolitical Drivers

- Countries turning to SWRO to bridge gap
- 2B+ lack access to clean drinking water
- Trans-boundary water-supply issues

Industrial Wastewater

Addressable Market

- ~$1B with potential to triple by 2030[2]
- Dependent on regulation to realize full TAM

Market Drivers

- Freshwater scarcity/declining resources
- Rising focus on water quality
- Industrialization and urbanization

Geopolitical Drivers

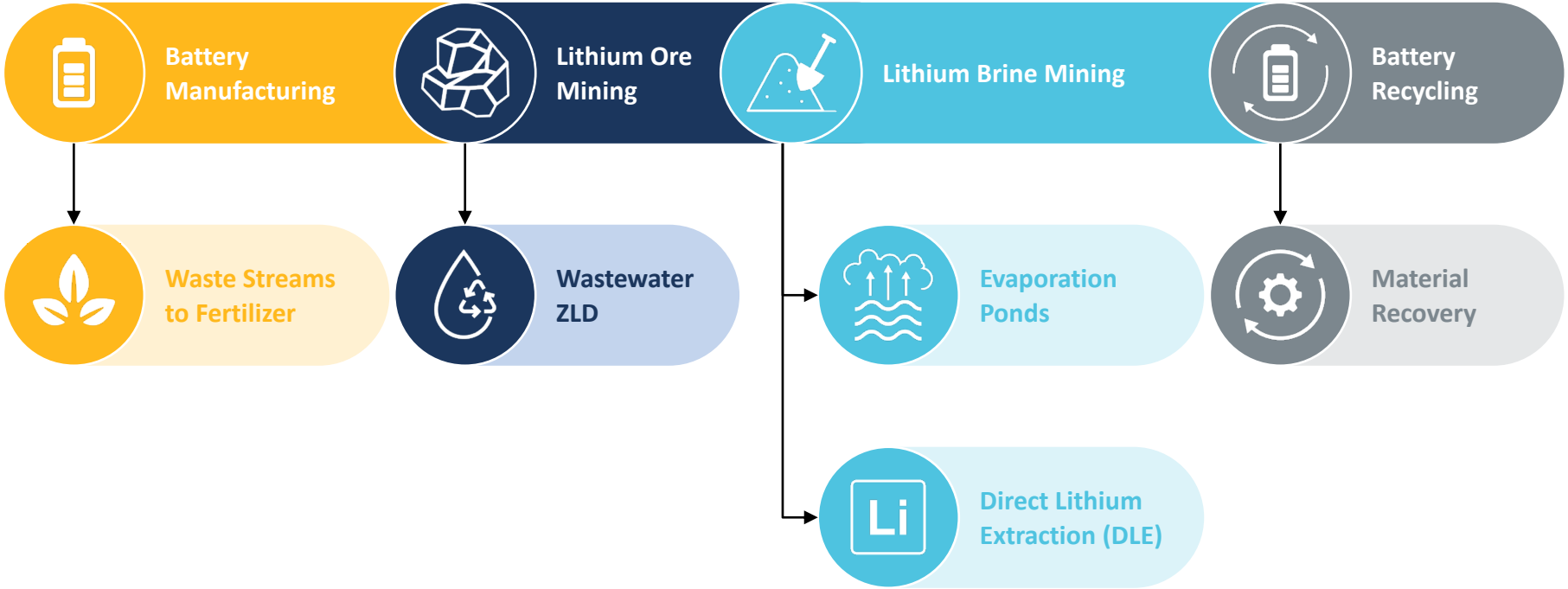
- Countries beginning to require reuse standards
- U.N. goal to triple amount of treated wastewater globally by 2030

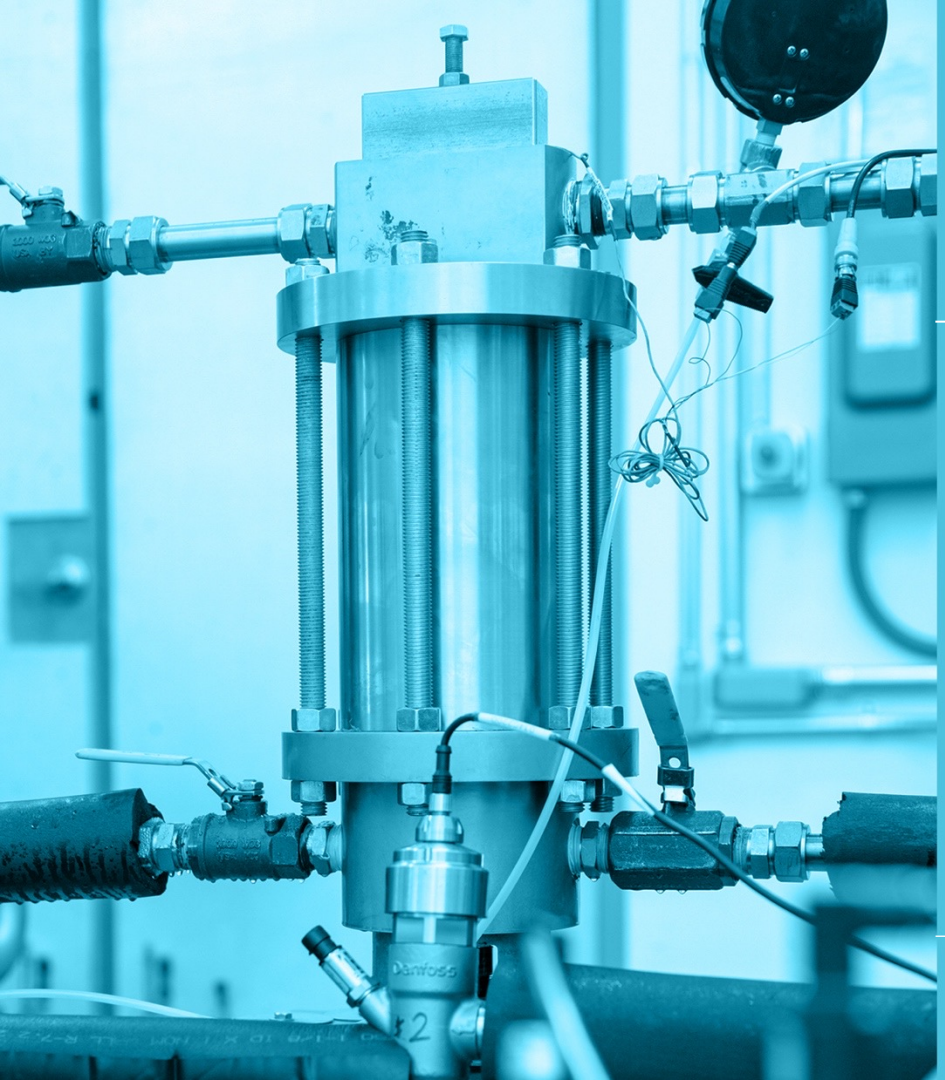
[1]These revenue growth range goals, long-term vision and similar statements illustrate possible outcomes of our different segment strategies. These growth illustrations should not be treated as forecasts, projections or financial guidance. We cannot assure that we will be able to accomplish these goals, metrics or opportunities in the future, all of which are subject to significant risks and uncertainties as set forth under Risk Factors in our Annual Report on Form 10-K; [2]Energy Recovery projections and estimates based on currently available information. Actual results and figures may differ.

INITIAL INDUSTRIAL WASTEWATER APPLICATIONS

- Lithium
- Coking
- Mining
- Textiles

INDUSTRIAL WASTEWATER APPLIED TO LITHIUM MARKET





DISRUPTING THE GLOBAL REFRIGERATION INDUSTRY

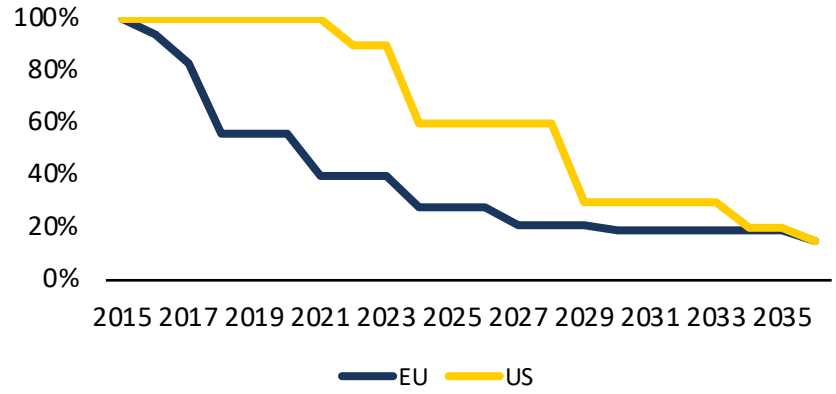
~$1B Annual Potential TAM for ERI by 2030*

**Energy Recovery projections and estimates based on currently available information. Actual results and figures may differ.*

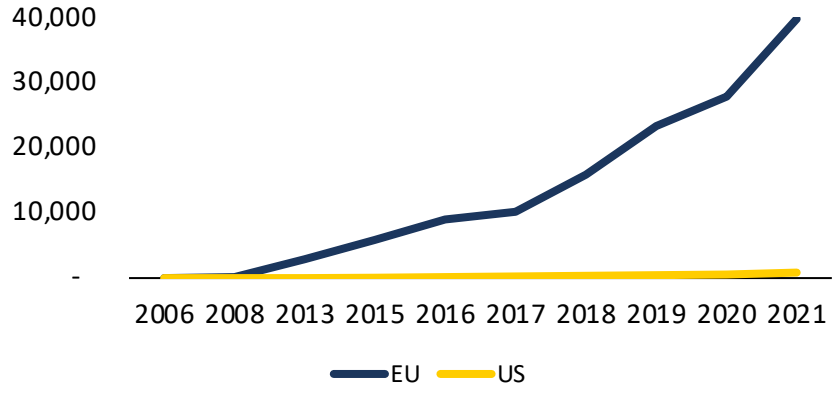
TRANSITIONING FROM HARMFUL HFCS TO NATURAL CO_2 REFRIGERANTS

- HFCs are up to **13,000x** worse for the environment than natural refrigerants such as CO_2[1]
- Developed countries have agreed to reduce HFC usage by **85% by 2036**

HFC Phase-down Timeline: EU & US



CO_2 Installations: EU & US



[1]*Based on IPCC data: https://unfccc.int/process/transparency-and-reporting/greenhouse-gas-data/greenhouse-gas-data-unfccc/global-warming-potentials*

ERII'S PX TECHNOLOGY – EASING THE TRANSITION TO CO_2 REFRIGERATION

November 2021	Signed first contract for delivery in 2022
1H 2022	Signed joint development agreements to design PX G-centric CO_2 system
July 2022	First PX G commissioned in a southern European supermarket
October 2022	Second PX G commissioned at Vallarta in California

UNIQUE VALUE PROPOSITION

Energy Recovery's Sustainable Growth Rests on Three Strategic Pillars

Pillar 1

Leadership in SWRO

Protect position in SWRO by improving products and operations in a fast-growing market

Serves as the foundation of Energy Recovery's growth strategy

Pillar 2

Innovation in New Industries

Drive high margin growth by capitalizing on commercial opportunities in new and tangential industries

Diversify from desalination and accelerate growth while de-risking revenue

Pillar 3

ESG Integration

Accelerate environmental sustainability for customers via reduced energy consumption

Practice long-term discipline to manage E, S, and G risk while maximizing opportunities related to sustainable product aspirations

LEADING ESG PERFORMANCE

$3.9B saved for customers on energy expenses annually[1]

14.5M metric tons emissions avoided due to PXs – nearly 3M vehicles removed from the road annually[1]

98%+ product revenue from energy-efficiency related sources

30TWh saved in electricity consumption[1]

To download the full report, please visit bit.ly/ERII_ESG_2021

Awards & Recognition

MSCI ESG Rating "AA"

IR Awards: "Best ESG Communications" and "Best ESG Reporting among small to mid-cap companies"

Sustainalytics ESG Risk Rating: Top quartile of the machinery industry as of June 2021

2nd Runner Up for "Best First Time Report"

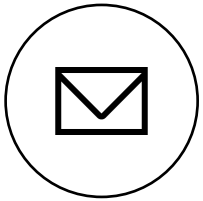
MSCI ESG Small Cap Leaders Index

[1]*Energy Recovery estimates. Assumes all deployed devices are in operation*

energy recovery®

Thank You

CONTACT US



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