Sidoti & Co Virtual Small-Cap Conference

Energy Recovery Presentation – June 15, 2022

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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.

Industries benefiting from PX technology

Reverse Osmosis Desalination

Industrial Wastewater Treatment

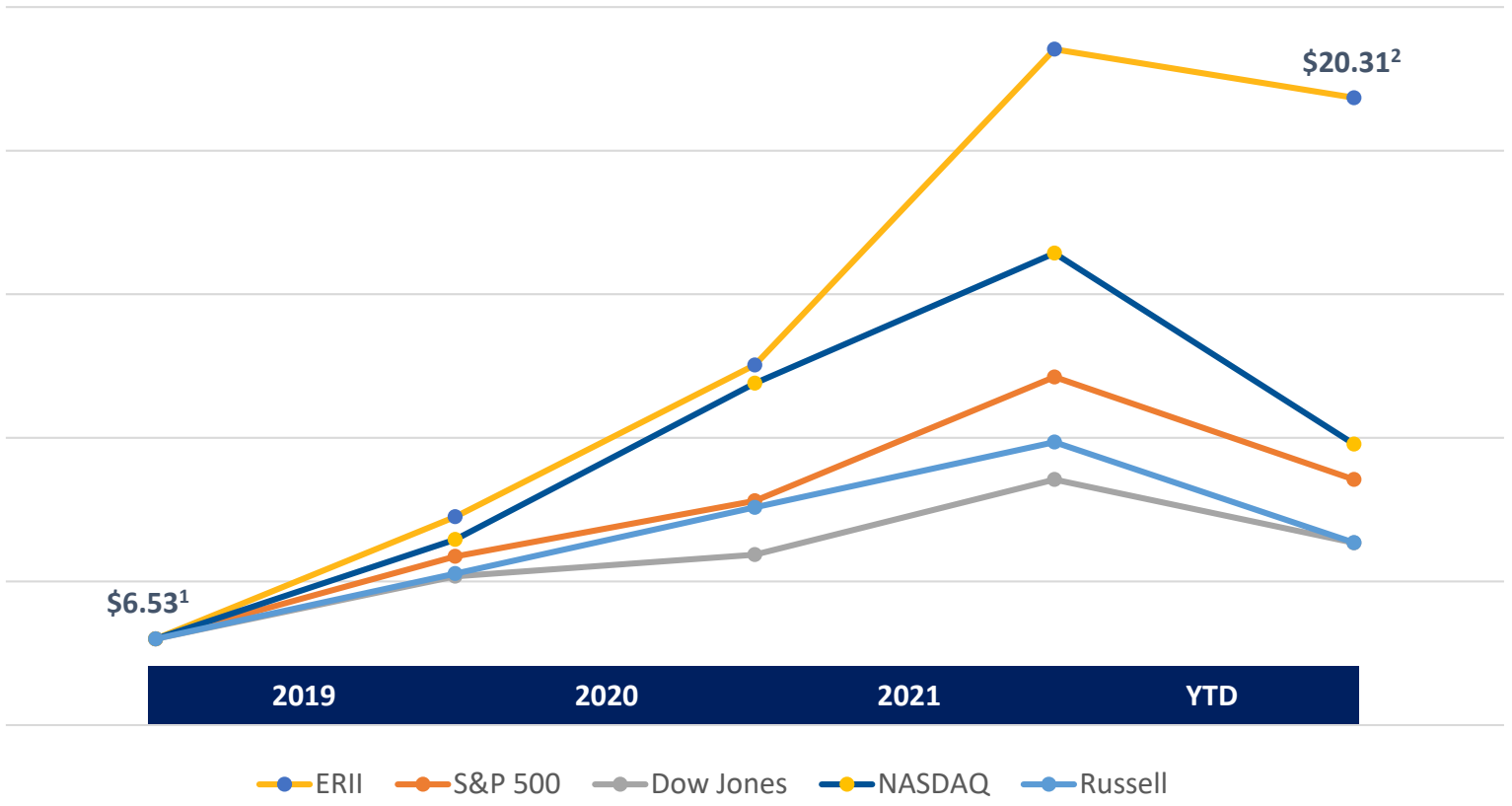
CO2 Refrigeration

Energy Recovery operates across industries, reaching key markets with sustainable, efficient product solutions.

Ongoing Strong Fundamentals

Rapid Growth	*20%*	**Avg. Product Revenue Growth, 2015-2021**
High Margin	*>68%*	**2021 Product Gross Margin**
Strong Balance Sheet	*$97M*	**Cash & Securities and** *No Debt*

Share Price Growth of 3.5X Since 2018 – Outpacing U.S. Indices



[1] As at December 28, 2018;
[2] As at June 10, 2022

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What is Energy Recovery Trying to Achieve?

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

Our solutions reduce waste and energy consumption in industrial fluid-flow systems

We revolutionized seawater reverse osmosis desalination (SWRO), reducing energy costs by up to 60%[1]

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

[1]Energy Recovery estimate.

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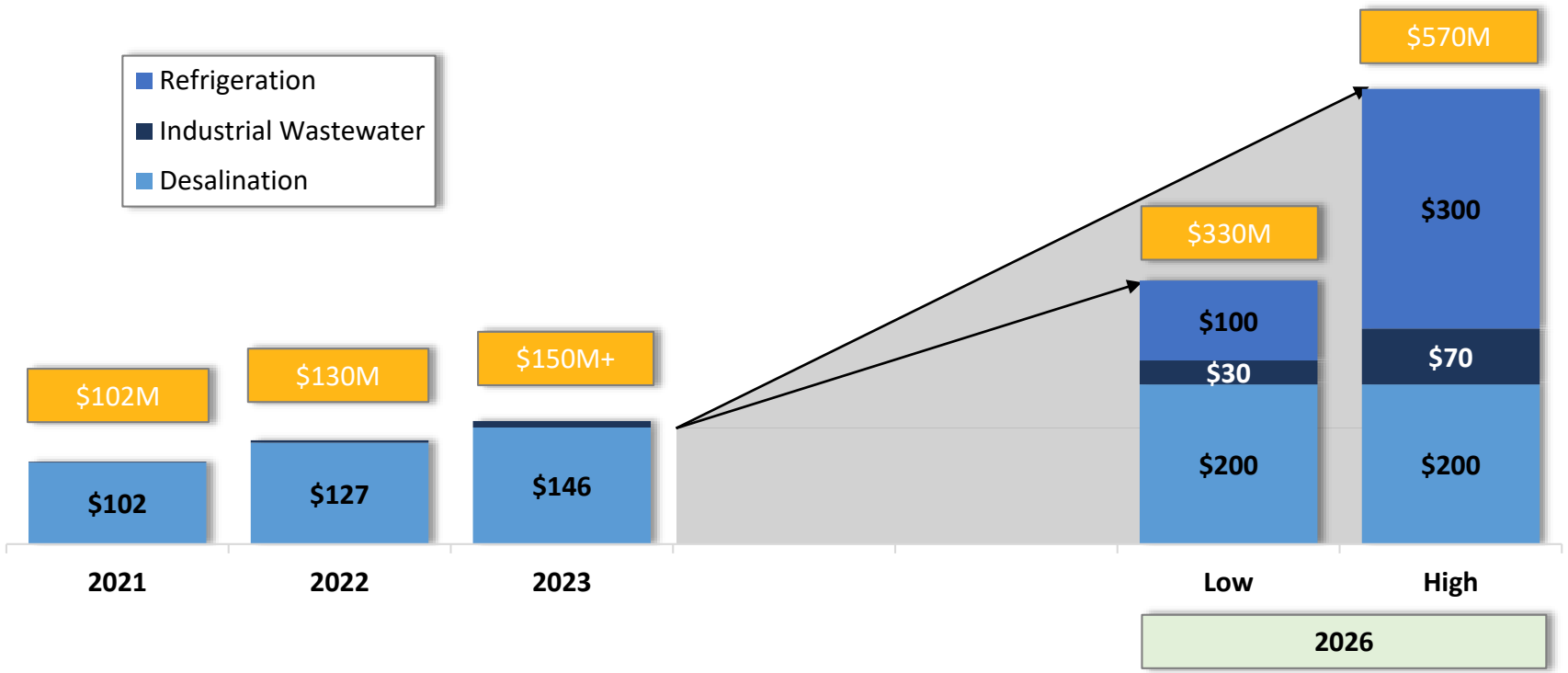
Targeting 25% - 40% avg. Revenue Growth Through 2026



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.

Effective ESG Integration

$2.6B saved for customers on energy expenses annually[1]

12.5M metric tons emissions avoided due to PXs – nearly 3M vehicles removed from the road annually[1]

98%+ product revenue from energy-efficiency related sources

26TWh Saved in Electricity Consumption[1]

To download the full report, please visit bit.ly/ERII_ESG_2020

Awards & Recognition

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

IR magazine Award winner US 2022

2021 MSCI ESG Leaders Indexes Constituent

CRRA CRReporting Awards'21 BEST FIRST TIME REPORT 2nd runner up

SUSTAINALYTICS a Morningstar company RATED

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

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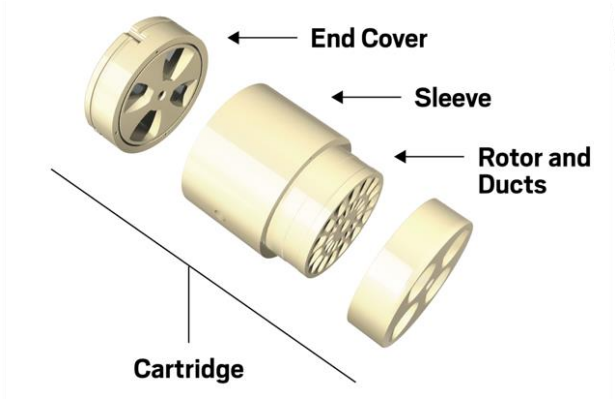
The PX is Energy Recovery's Core Technology

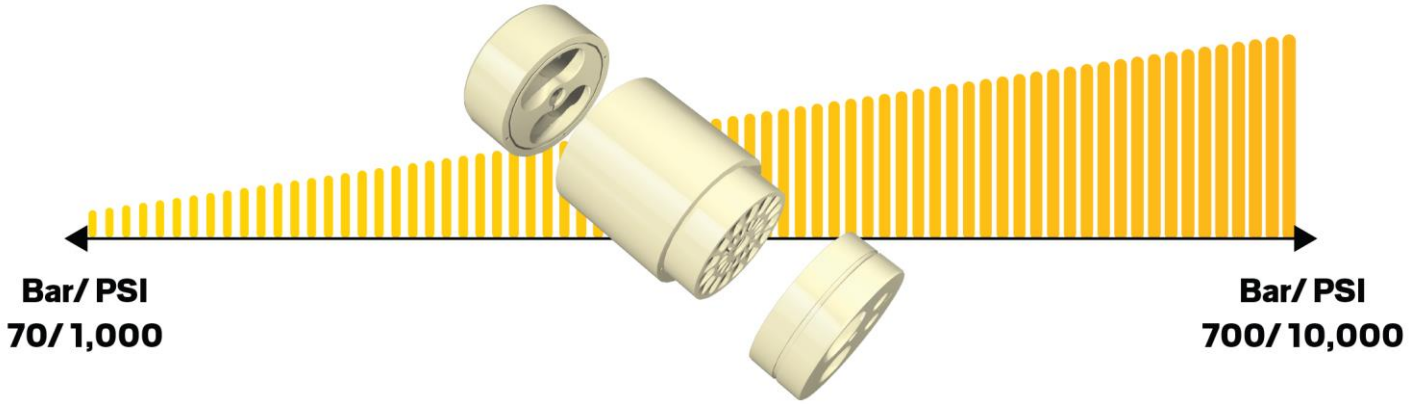
Anatomy of a Pressure Exchanger

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

Excelling 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

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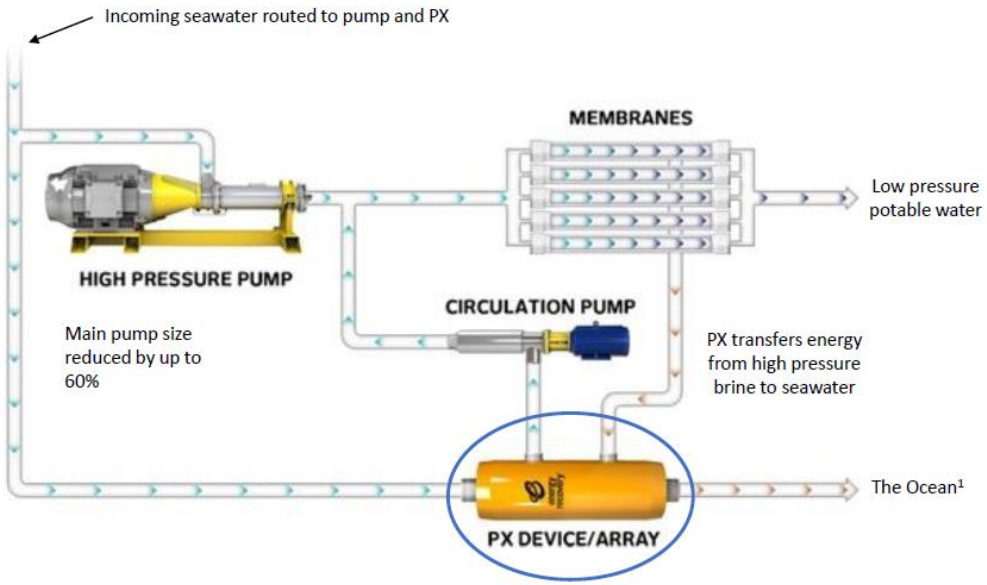
Industries Benefiting from PX Technology

Desalination

Industrial Wastewater Treatment

CO2 Refrigeration

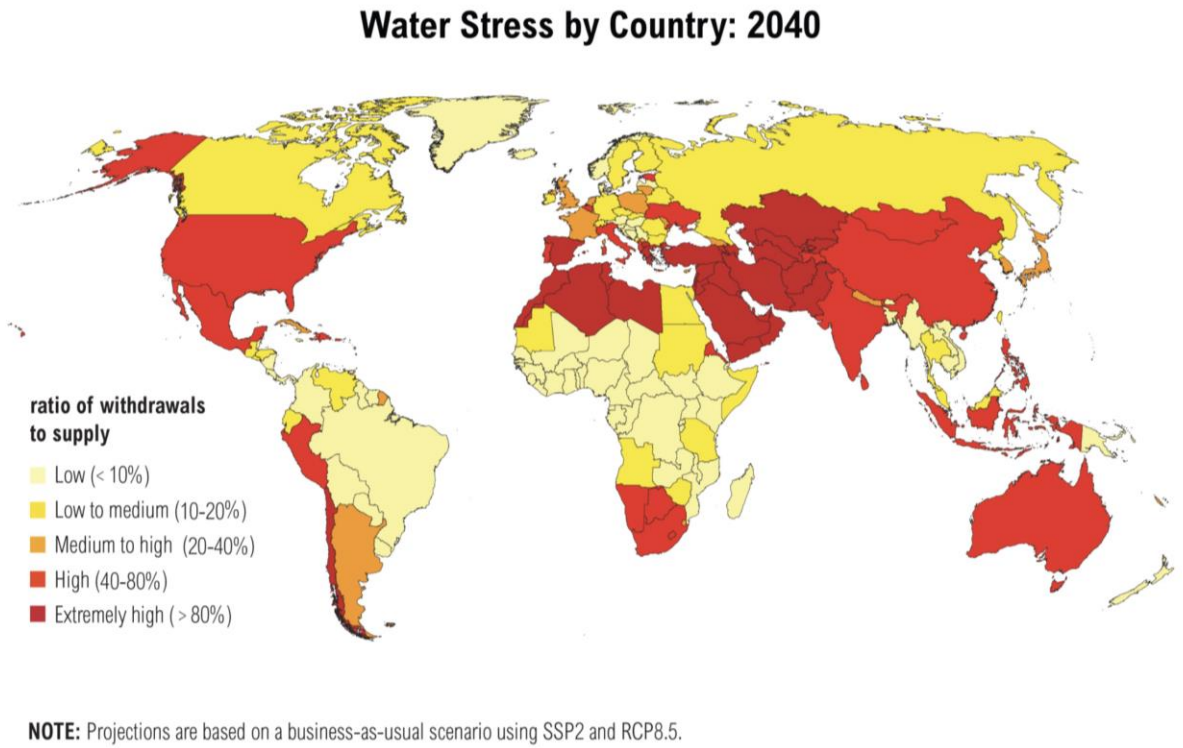
Industry Highlight: PX Technology in SWRO



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



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

FRANCE 24

Australia prepares for 'Day Zero' – the day the water runs out

The New York Times

Flash Drought in the South Brings Record Heat Without Rain

PHYS.ORG

South America ravaged by unprecedented drought and fires

npr

Alaska Villages Run Dry and Residents Worry About a 'Future of No Water'

We Help Address The Growing Water Gap In Two Fast Growing Industries

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[1]
- Dependent on regulation to realize full TAM

Market Drivers

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

Geopolitical Drivers

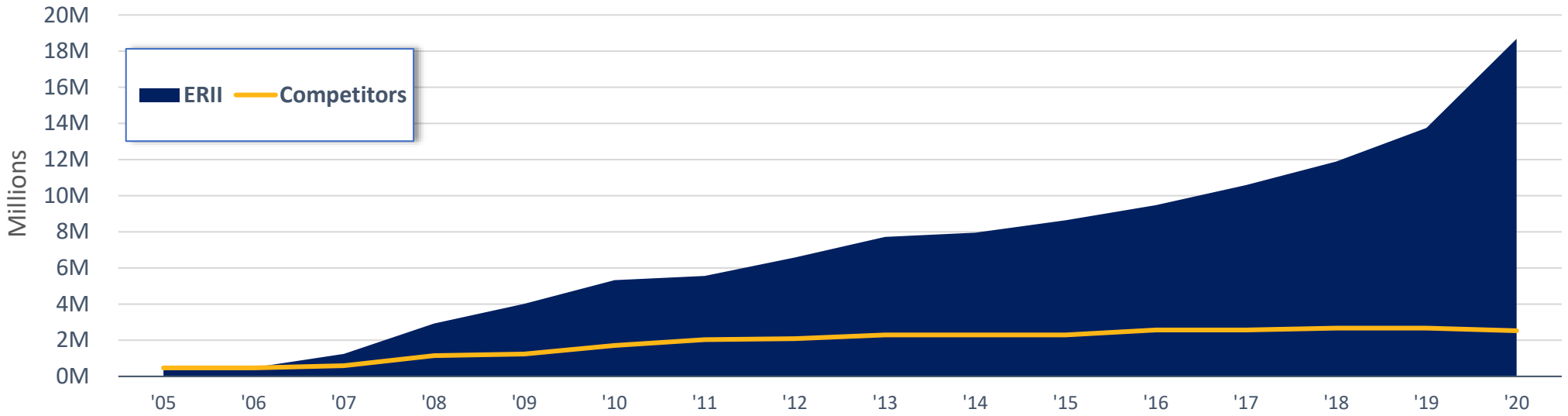
- Countries beginning to require reuse standards
- U.N. goal to triple amount of treated wastewater globally by 2030

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

Our PX Platform Has Come To Dominate Large Scale SWRO Desalination

CUMULATIVE WON MEGA PROJECT[1]

Desal Capacity (m3/day)



TECHNOLOGY STRENGTH = HIGH MARGIN

>68% **ERII Gross Margin[2]**

25% **Russell 2000 Industrials**

Our ceramics PX 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] 2021 Reported Gross Margin

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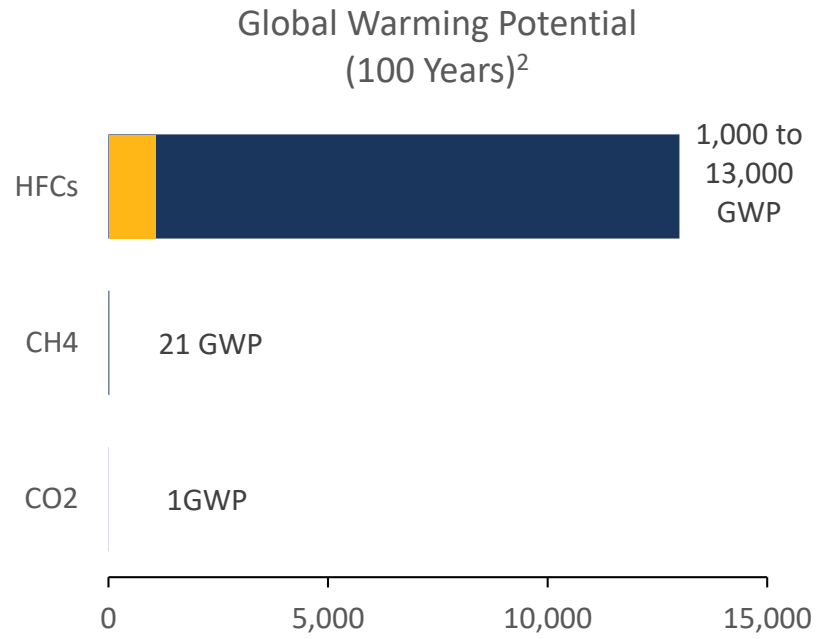
Transitioning from Harmful HFCs to Natural CO_2 Refrigerants

- The global refrigeration industry is a leading user and emitter of hydrofluorocarbons (HFCs), a group of powerful man-made greenhouse gases with a Global Warming Potential (GWP) [1] at ***1,000 – 13,000 GWP versus 1 GWP from CO_2.***
- Regulation is forcing a global transition to natural refrigerants such as CO_2 due to the significant global warming potential of existing HFC refrigerants.
  - More than 120 countries have signed the Kigali Amendment to the Montreal Protocol, establishing a timeline for the mandated phasedown of HFC use.
  - In May 2021, the EPA announced its intention to phase down the production and import of HFC emissions by 85% by 2036, in accordance with the Kigali Amendment.
- It remains challenging for retailers to make the switch due to the high cost of CO_2 refrigeration systems.



Energy Recovery's PX G1300 makes the transition to CO_2 refrigeration financially attractive.

[1]Global Warming Potential (GWP) describes the relative potency of a greenhouse gas, which takes into account how long it remains in the atmosphere and calculated over 100 years, e.g., CO_2 has a 100-year GWP of 1.

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

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ERII's PX Technology is a Game Changer for the Refrigeration Industry

~$1B annual TAM for ERI by 2030[1]

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

Disrupting a Large Market with the PX G

CO_2 systems drive up operating costs to owners via higher energy consumption

- Our PX G1300 reduces energy consumption in CO_2 systems by recycling pressure energy during operations, much as in desalination
- Signed first contract in November 2021 for delivery in 2022
- Signed a joint development agreement with a global refrigeration rack manufacturer in February 2022 to design a PX G-centric CO_2 system

"A new, groundbreaking application of our pressure exchanger technology is the PX G1300™ (PX G), designed to drive the transition in refrigeration from legacy hydrofluorocarbon (HFC) to green carbon dioxide-based systems. If left unchecked, ***HFCs are projected to increase global temperatures by a half-degree Celsius by 2100****. Governments around the world, including the United States and China, have initiated the phaseout of HFCs.* ***We believe the PX G can make this transition to carbon dioxide more financially attractive for retailers, significantly contributing to the reduction of climate-damaging HFCs****."*

-- Robert Mao, Chairman of the Board, President, and Chief Executive Officer of Energy Recovery

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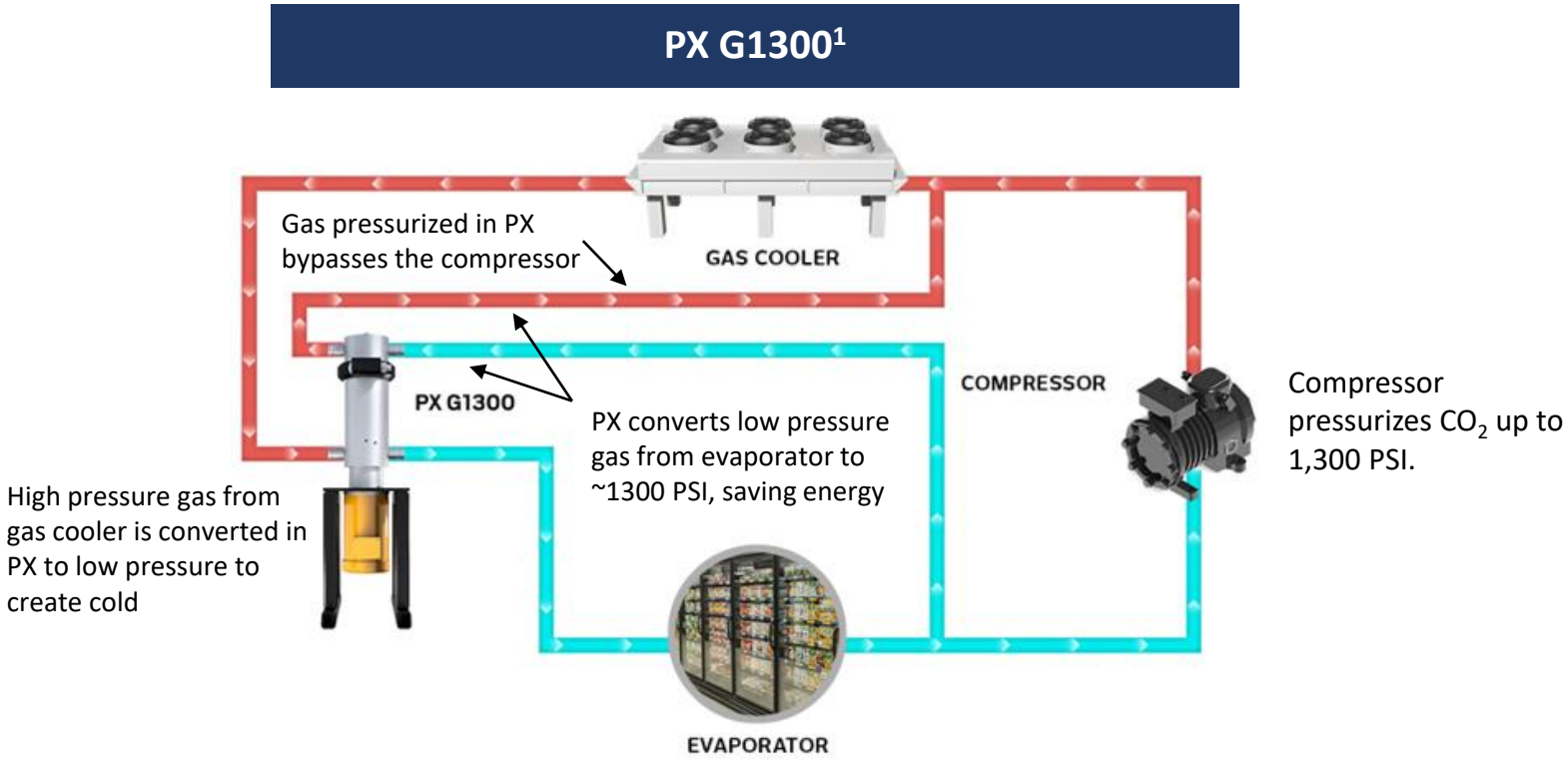
PX Technology in CO_2 Refrigeration



We have expanded the aperture of the PX technology to successfully compress gas, allowing for efficient energy transfer in refrigeration

[1]For illustration purposes only. Actual configuration may vary.

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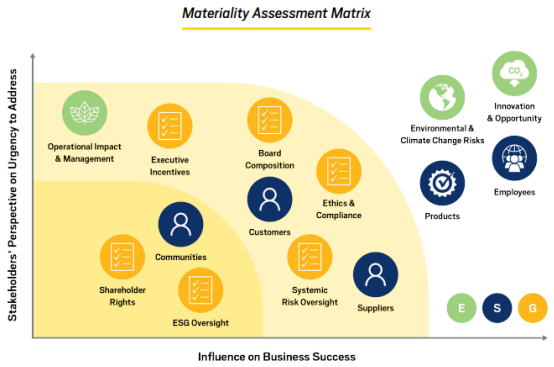
ESG Strategy & Development

Framework Alignment

- Aligned with UN SDGs 6, 7 and 9
- SASB and GRI reporting commencing with the 2019 inaugural ESG report
- Set a goal to align with the TCFD by 2024

Materiality Assessment

- Engaged shareholders representing 38% of shares outstanding and 12% of employees identifying 14 key areas stratified by 3 tiers of importance



Development of Goals, Targets, & KPIs

- Developed 6 goals and 13 sub-KPIs across the 4 most material areas including doubling emissions reductions from Energy Recovery products by 2025

ESG Program Evolution

2019 ESG Report

- Inaugural ESG Report
- Aligned with SASB, GRI, & UN SDGs
- Named second runner-up for "Best 1st Time Report" by Corporate Register

2020 ESG Report

- Completed materiality assessment
- Introduction of KPIs & meaningful goals
- Enhanced overall disclosures

2021 ESG Report

- Goal progress updates
- Refreshed disclosure capabilities
- Enhanced focus on climate, our value chain, and our people

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Our Work Across E, S, and G

ENVIRONMENTAL

Energy Recovery is inherently aligned with sustainability objectives

- Took meaningful steps towards alignment with the TCFD by the end of 2024, starting with the calculation and reporting of our **scope 1, 2, and 3 GHG emissions** for fiscal years 2020 and 2021.
- Committed to **ISO 14001** certification of our Environmental Management System, demonstrating our commitment to the successful management of our environmental and climate change risks.

SOCIAL

We deliver sustainable, diversified growth while protecting the livelihood, health, and safety of our employees.

- 2020 TRIR was 4.03, a 43% reduction from the prior year, with no fatalities.
- Maintained a **high employee retention rate of 94%** in 2020, even with 15% headcount growth.
- Granted an additional 10% to each full-time employee's bonus compensation in 2020.
- Regularly engaged employees on Energy Recovery's ESG journey.

GOVERNANCE

Strong corporate governance principles are key to our success, accountability, and alignment with our stakeholders.

- Proxy access rights for shareholders
- Beginning with the 2023 Annual Meeting of Stockholders, the entire Board will be up for election on an annual basis
- Independent oversight – 5 of 6 directors are independent
- Formally incorporated ESG into Board meeting agendas to promote the discussion of ESG issues.

Our ESG Goals

EMPLOYEES

GOAL: Develop workforce to deliver sustainable, diversified growth

GOAL: Protect the lives and livelihoods of our employees by providing a sage and healthy workplace

As we diversify and grow into a multi-industry company, a focus on the talent and culture that brought us this far is critical. We recognize that our human resource strategies and processes must evolve to support this growth.

ENVIRONMENTAL & CLIMATE CHANGE RISKS

GOAL: Report climate-related risk strategy and management aligned with the TCFD by the end of 2024

GOAL: Certification to ISO 14001 Environmental Management Standard by the end of 2022

Energy Recovery is committed to making continued progress on our climate-change related disclosures, as well enhancing our internal management of environmental risks.

INNOVATION & OPPORTUNITY

GOAL: Double emissions reductions from our products by the end of 2025 vs. the 2019 baseline

Developing technologies that drive efficiencies and reduce emissions for our customers is at the heart of Energy Recovery's value proposition and sustainability strategy.

PRODUCTS

GOAL: Deliver products and solutions customers can trust

Trust and reliability have long been synonymous with our PX Pressure Exchanger, the desalination industry's leading energy recovery device.

Governance: Board Structure & Composition

Director & Position	1	2	3
 **Robert Yu Lang Mao** *Chairman, President & Chief Executive Officer*			
 **Pamela Tondreau** *Lead Independent Director*		C	M
 **Alexander J. Buehler** *Independent Director*	C	M	
 **Olav Fjell** *Independent Director*	M		M
 **Sherif Foda** *Independent Director*		M	M
 **Arve Hanstveit** *Independent Director*	M		C

Legend

C Chair

M Member

1 Audit Committee

2 Compensation Committee

3 Nominating and Corporate Governance Committee

Board Structure and Composition

50% of Board is diverse

83% of Board is independent

62 yrs. Average director age

4 of 6 Current directors have served on Board for >6 years

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Unique Value Proposition

Energy Recovery's Sustainable Growth Rests on Three Strategic Pillars

PILLAR 1	PILLAR 2	PILLAR 3
LEADERSHIP IN SWRO	**INNOVATION IN NEW INDUSTRIES**	**ESG INTEGRATION**
Protect position in SWRO by improving products and operations in a fast-growing market **Serves as the foundation** of Energy Recovery's growth strategy	**Drive high margin growth** by capitalizing on commercial opportunities in new and tangential industries **Diversify from desalination** and accelerate growth while de-risking revenue	**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

Thank You

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