

# WHOLE NEW DIMENSION

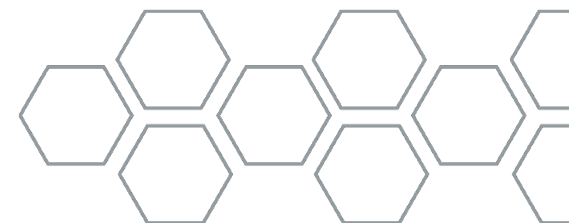
## **H1 2013 Results**

Investor Presentation  
September 12, 2013



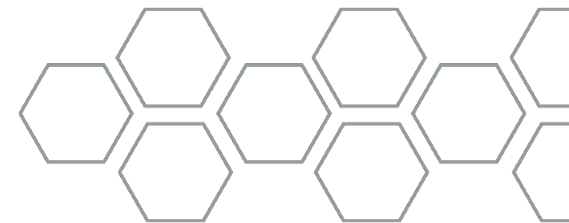
## H1 2013 Financial Highlights

- Revenues up 85% to \$9.4 million (H1 2012: \$5.1 million)
- Gross Profit up 131% to \$5.1 million (H1 2012: \$2.2 million)
- Gross Profit margin increased to 55% (H1 2012: 43%)
- Operating expenses of \$4.8 million (H1 2012 : \$3.8 million)
- EBITDA of \$ 0.5 million (H1 2012 EBITDA negative \$1.4 million)
- Profit before Taxes of \$0.3 million (H1 2012 Loss before Taxes \$1.5 million)
- Net income of \$0.06 million (H1 2012 Net loss of \$1.5 million)
- Contracted Order Book up 123% to \$7.4 million (H1 2012: \$3.3million)



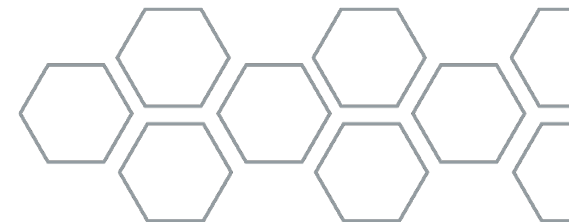
# H1 2013 Operational Highlights

- New contracts, contract extensions and purchase orders signed
  - SABIC – two extensions and one new installation at an existing facility
  - Wastewater treatment project in Saudi Arabia
  - Produced water treatment projects in Albania and Canada
- Successful trials completed
  - Alberta
  - Saudi Arabia
- Successful live demonstrations in Houston facility showing real-time, quantifiable oil removal monitoring
- Expanded manufacturing capabilities and efficiency by moving to a larger location in Duluth, Georgia.



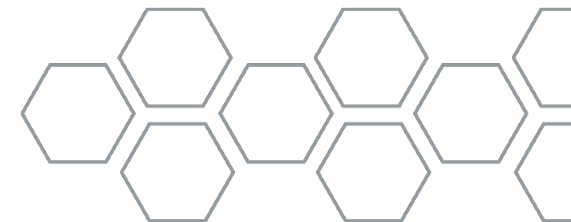
## Post Period End Events

- Established a \$5 million line of credit backed by receivables and inventory
- Further success in the fast-to-market lease program in GoM
- Received replacement order for specialist mercury removal from gas condensate application
- Pilot trial in Alberta refinery
- Hired Director of Engineering Operations
- Implemented CRM system and process to better manage, prioritize and pursue opportunities



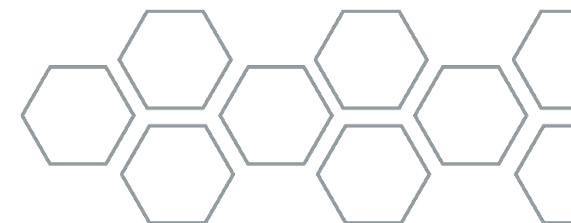
## Outlook

- Unforeseen end user delays are expected to defer associated revenues into 2014 reducing projected equipment sales in H2 2013
- Likely that H2 2013 revenue and gross profit will be consistent with H1 2013
- Recurring sales continue to grow steadily as new installs add to the recurring media and service base
- Rate of identification of new opportunities, demonstrations and trials has increased:
  - advanced pipeline now – 12 projects
  - broader pipeline now – 37 projects
- We continue to prudently invest to foster growth while managing expenses for profitability



# Income Statement

(in millions)	<u>H1 2013</u>	<u>H1 2012</u>	% ▲
Revenue	\$ 9.42	\$ 5.09	85%
Gross Profit	\$ 5.14	\$ 2.22	132%
EBITDA	\$ 0.50	\$ (1.38)	n/a
Expenses	\$ 4.79	\$ 3.76	27%
<b>Profit</b> (Loss) before Income Taxes	\$ 0.33	\$ (1.54)	n/a
<b>Net Income</b> (Loss)	\$ 0.06	\$ (1.55)	n/a

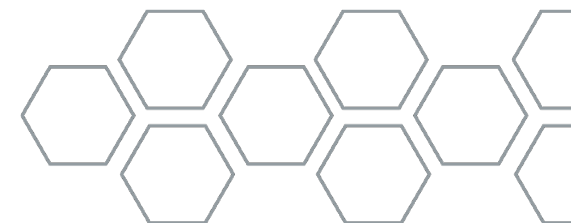


# Balance Sheet

(in millions)

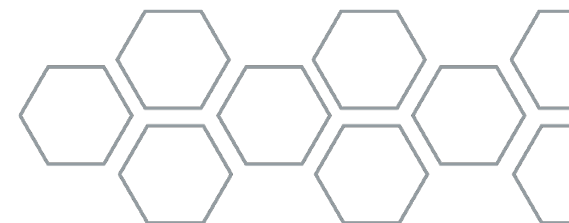
	<u>H1 2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash	\$ 3.45	\$ 9.17
Receivables	\$ 5.60	\$ 2.63
Inventory	\$ 4.60	\$ 2.97
PP& E	\$ 8.03	\$ 3.83
Patents	\$ 0.55	\$ 0.48
Other	<u>\$ 0.40</u>	<u>\$ 0.40</u>
<b>Total Assets</b>	<b>\$22.63</b>	<b>\$19.48</b>

	<u>H1 2013</u>	<u>2012</u>
<b>LIABILITIES</b>		
Payables	\$ 1.91	\$ 1.80
Accrued Expenses	\$ 0.75	\$ 0.84
Deferred Revenue	\$ 0.11	\$ 0.32
Other Obligations	\$ 0.04	\$ 0.07
Note Payable	\$ 2.28	\$ 0.00
Stk Equity	<u>\$17.54</u>	<u>\$16.45</u>
<b>Total Liab &amp; Stk Eq</b>	<b>\$22.63</b>	<b>\$19.48</b>



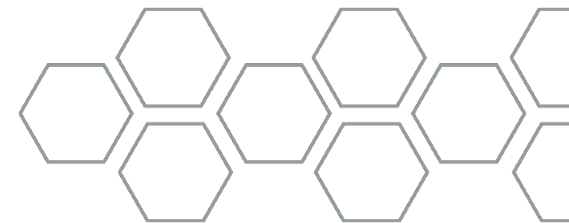
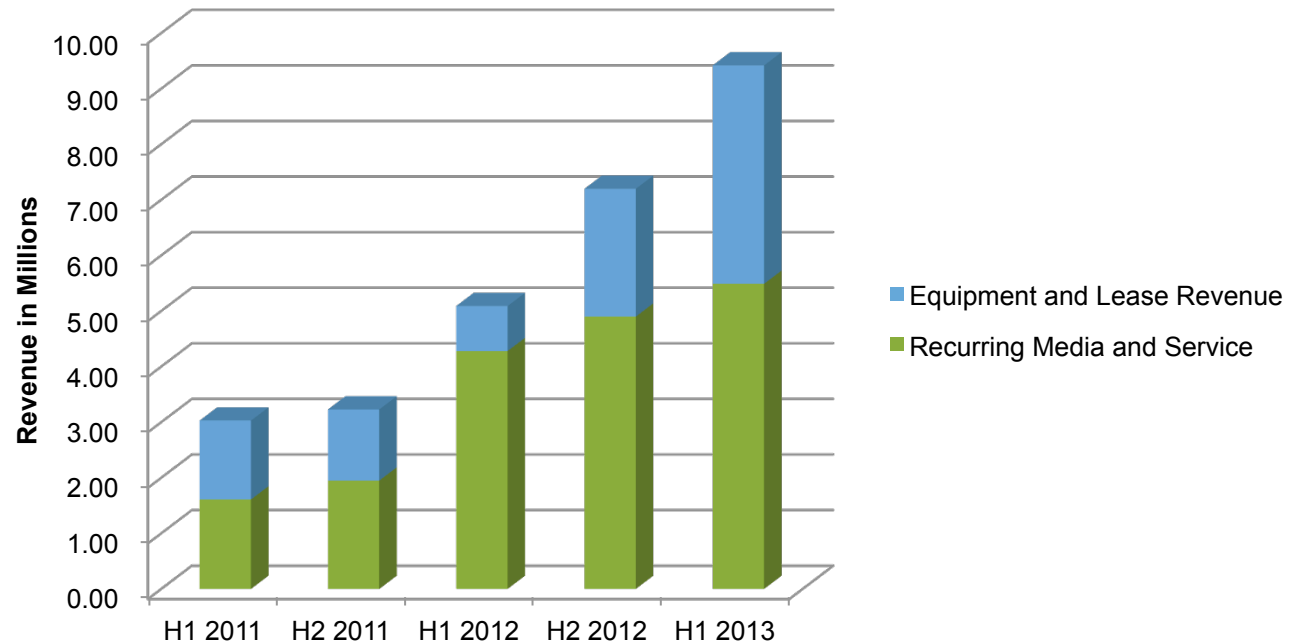
# Cash Flow

(in millions)	<u>H1 2013</u>
<b>Beginning Cash</b>	<b>\$ 9.16</b>
Net Income	\$ 0.05
Depreciation & Amortization	\$ 0.39
Stock Compensation	\$ 0.23
<b>Receivables</b>	<b>\$ (2.97)</b>
<b>Inventory</b>	<b>\$ (1.63)</b>
Payables & Accruals	\$ 0.02
<b>Land &amp; Building</b>	<b>\$ (3.17)</b>
<b>Property, Plant &amp; Equipment</b>	<b>\$ (1.40)</b>
Intangibles	\$ (0.09)
<b>Notes &amp; Line of Credit</b>	<b>\$ 2.28</b>
Proceeds from exercises	\$ 0.80
Other	<u>\$ (0.22)</u>
<b>Ending Cash</b>	<b>\$ 3.45</b>

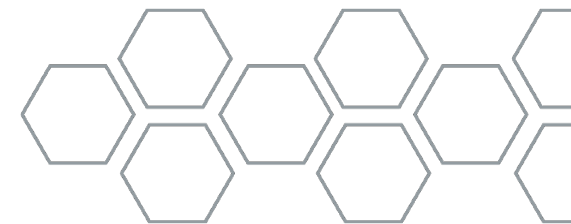
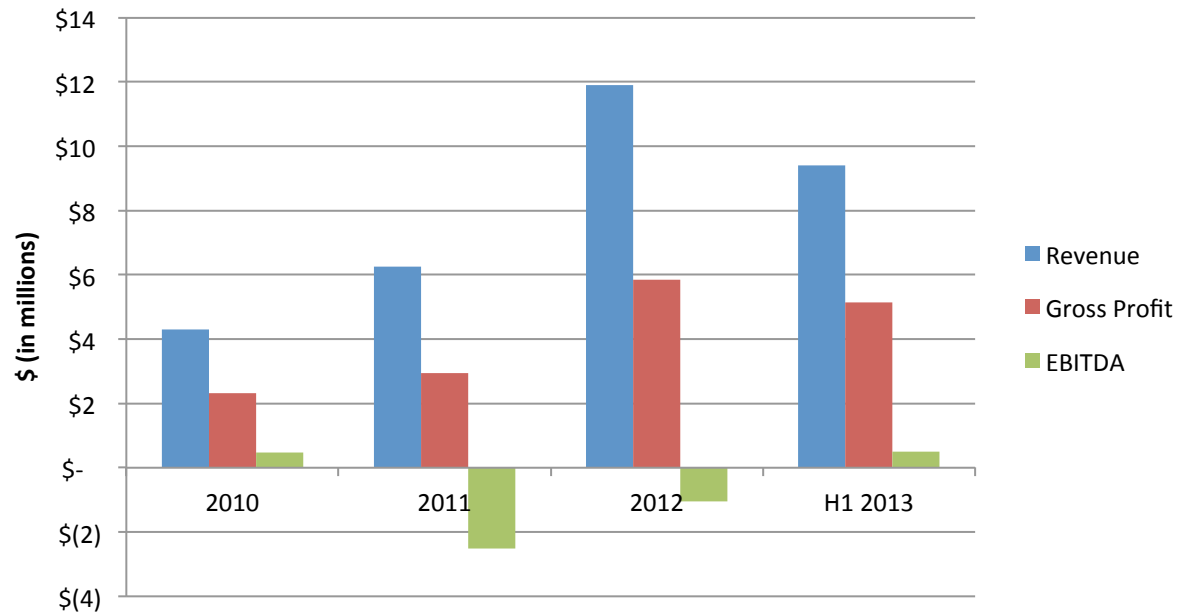




# Revenue Growth Breakdown



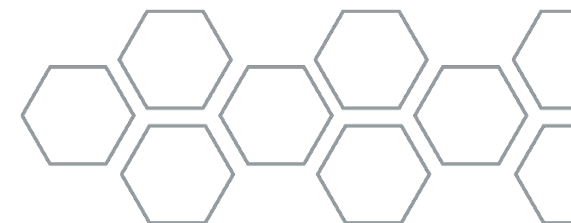
# Revenue Growth and Profitability



# Profitability

In millions - US Dollars

	H1 2011	H2 2011	H1 2012	H2 2012	H1 2013
Revenue	3.03	3.23	5.09	7.21	9.42
Cost of Goods Sold	1.55	1.77	2.87	2.87	4.29
<b>Gross Profit</b>	<b>1.48</b>	<b>1.46</b>	<b>2.22</b>	<b>4.34</b>	<b>5.14</b>
<i>Gross Margin %</i>	49%	45%	44%	60%	55%
Operating Expenses	1.32	4.32	3.76	4.39	4.79
<b>Operating Profit (Loss)</b>	<b>0.16</b>	<b>(2.86)</b>	<b>(1.54)</b>	<b>(0.05)</b>	<b>0.35</b>
Operating Profit %	5%	-89%	-30%	-1%	4%
EBITDA	0.23	(2.74)	(1.38)	0.00	0.50
<i>EBITDA margin (%)</i>	8%	-85%	-27%	0%	5%
Total other expense	0.13	0.21	0.16	0.06	0.17
<b>Profit (Loss) before taxes PBT</b>	<b>0.10</b>	<b>(2.95)</b>	<b>(1.54)</b>	<b>(0.06)</b>	<b>0.33</b>



# Profitability

## Revenue and Total Expenses

