



Pure-Play Regulated Water & Wastewater Utility Company



Forward-Looking Statements

Certain statements in this presentation include certain forward-looking statements which reflect the company's expectations regarding future events. The forward-looking statements involve a number of assumptions, risks, uncertainties, and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements include, but are not limited to, statements about our strategies; expectations about future business plans, prospective performance, growth, and opportunities, including expected growth in and around metropolitan Phoenix and Tucson and the resulting potential for new service connections; future financial performance, including the anticipation of another strong year ahead for the company; regulatory and ACC proceedings, decisions, and approvals, such as the anticipated benefits resulting from rate decisions, including any collective revenue increases due to new water and wastewater rates, our beliefs and expectations pertaining to ACC actions relating to our Southwest Plant, as well as the outcome and timing of our rate case and other applications with the ACC, including our applications for the approval of an accounting order and the approval of an annual bill credit, in each case, relating to the Southwest Plant; our plans relating to future filings of our rate cases with the ACC; acquisition plans and our ability to complete additional acquisitions, including the anticipated acquisition of seven public water systems from the City of Tucson and the expected increase in active water service connections resulting from such acquisition; population and growth projections; technologies, including expected benefits from implementing such technologies; revenues; metrics; operating expenses; trends relating to our industry, market, population and job growth, and housing permits; the adequacy of our water supply to service our current demand and growth for the foreseeable future; liquidity and capital resources; plans and expectations for capital expenditures; cash flows and uses of cash; dividends; depreciation and amortization; tax payments; our ability to repay indebtedness and invest in initiatives; the anticipated impact and resolutions of legal matters; the anticipated impact of new or proposed laws, including regulatory requirements, tax changes, and judicial decisions; the anticipated impact of accounting changes and other pronouncements; and other statements that are not historical facts, as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or the negative of these terms, or other words of similar meaning.

These statements are based on our current beliefs or expectations and are inherently subject to a number of risks, uncertainties, and assumptions, most of which are difficult to predict and many of which are beyond our control. Actual results may differ materially from these expectations due to changes in political, economic, business, market, regulatory, and other factors. Additional risks and uncertainties include, but are not limited to, whether all conditions precedent in the asset purchase agreement to acquire the seven public water systems from the City of Tucson will be satisfied, including the receipt of ACC approval, and other risks to consummation of the acquisition, including circumstances that could give rise to the termination of the asset purchase agreement and the risk that the transaction will not be consummated without undue delay, cost or expense, or at all. Factors that may also affect future results are disclosed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our filings with the Securities and Exchange Commission (the "SEC"), which are available at the SEC's website at www.sec.gov. This includes, but is not limited to, our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings with the SEC. Accordingly, investors are cautioned not to place undue reliance on any forward-looking statements, which reflect management's views as of the date hereof.

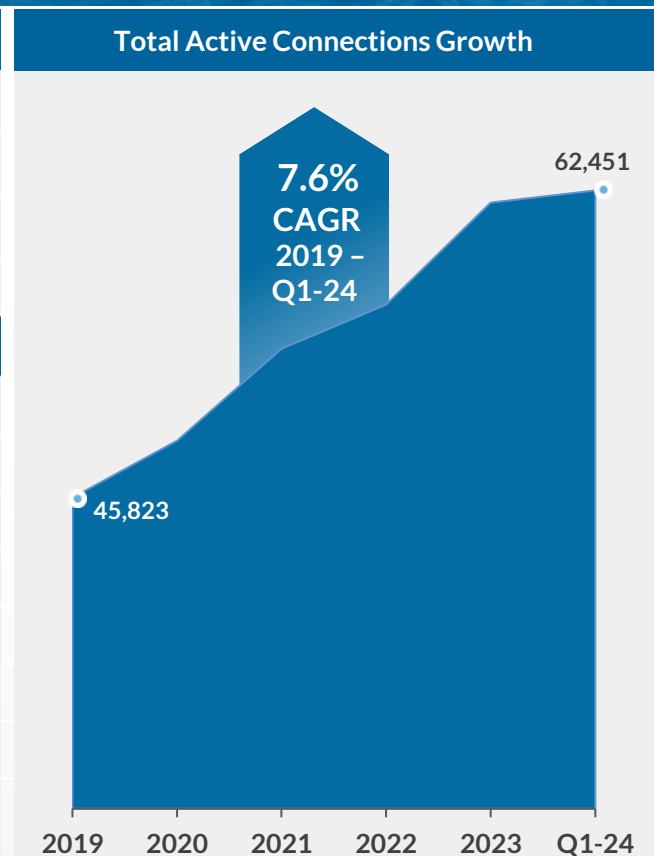
We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.

Global Water Resources Key Stats (NASDAQ: GWRS)



Stock Price 5/1/24	\$12.47
52 Week Low-High	\$9.34-\$13.43
Avg. Volume (3 mo.)	25,746
Shares Outstanding	24.2M
Public Free Float est.	47%
Insider Holdings, est.	53%
Institutional Holdings	30%
Market Cap	\$301M
Enterprise Value	\$406M
Founded	2003
U.S. IPO	2016
Total Employees	114
Active Connections	~62K

Total Revenue <i>ttm</i>	\$51.5M
Net Income <i>ttm</i>	\$6.2M
Net Income Margin <i>ttm</i>	12.1%
Adjusted EBITDA <i>ttm</i> ¹	\$25.6M
Adjusted EBITDA Margin <i>ttm</i> ¹	49.6%
Liquidity ²	\$35.7M
Total Assets @ 3/31/24	\$381.7M
Total Debt @ 3/31/24	\$124.9M
Annual Interest Expense <i>ttm</i>	\$5.3M
Dividend Yield @ 5/1/24	2.4%



¹Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. For the definition of Adjusted EBITDA and Adjusted EBITDA margin and their reconciliation to GAAP net income (loss) and GAAP net income (loss) margin, see "Reconciliation" slide in Appendix. Adjustment primarily relates to significant non-cyclical revenue received periodically.
²Liquidity as of Mar. 31, 2024, includes cash and cash equivalents and \$15M of unused credit revolving facility.

*t*tm = Trailing twelve months ended March 31, 2024.
 Sources: Capital IQ, IPREO, Nasdaq.com & company estimates

Global Water Resources – Who We Are

- **Fast-growing Water Resource Management company.**
- **Service area primarily in the growth corridors of metropolitan Phoenix and Tucson, Arizona.**
- **Own & operate 32 systems**, providing water, wastewater and recycled water services.
- **Recycle 1 billion+ gallons of water annually.**
- **Active M&A program in highly fragmented state:** acquired **12 utilities** since 2017.



MISSION

Aggregate water & wastewater utilities so that we and our customers can realize the benefits of consolidation, regionalization and environmental stewardship in the face of today's water scarcity.

VISION

Grow an enduring utility company with a professional staff focused on:

- Excellent customer service
- Quality water resource delivery
- Management of water scarcity through innovation in water recycling and technologies

Our Commitment



Deliver high-quality service at a fair value.



Leverage advanced technologies that benefit customers, employees and environment.

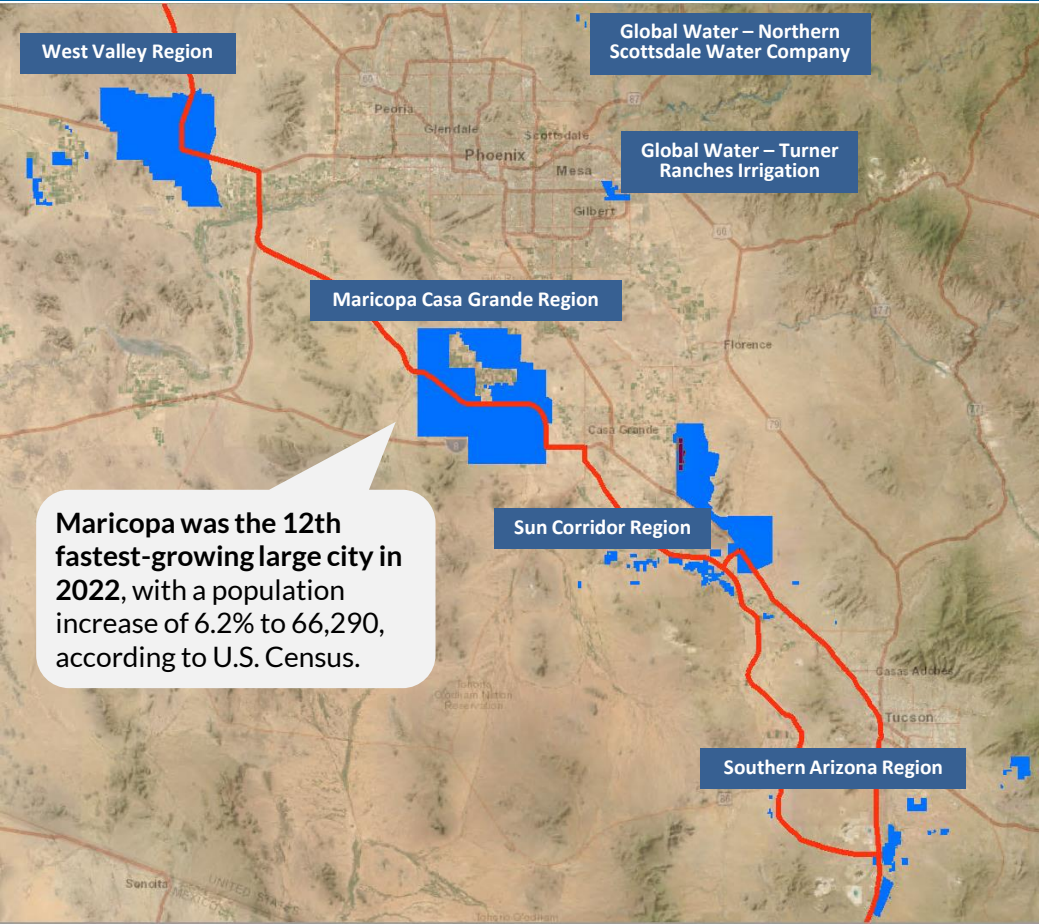


Manage the entire water cycle through total water management by protecting our most precious resource and ensuring long-term sustainability for the communities we serve.



Create an attractive investment opportunity focused on long-term value creation.

We Establish Large Contiguous Investor-Owned Water Utility Service Areas, Strategically Located in Growth Corridors



Located in Two Fast-Growing Counties¹

Maricopa County

Estimated to grow **22%** to 4.7 million people in 2024 compared to 3.8 million in 2010.

1) Source: [World Population Review](#), 2010-2024P.

Pinal County

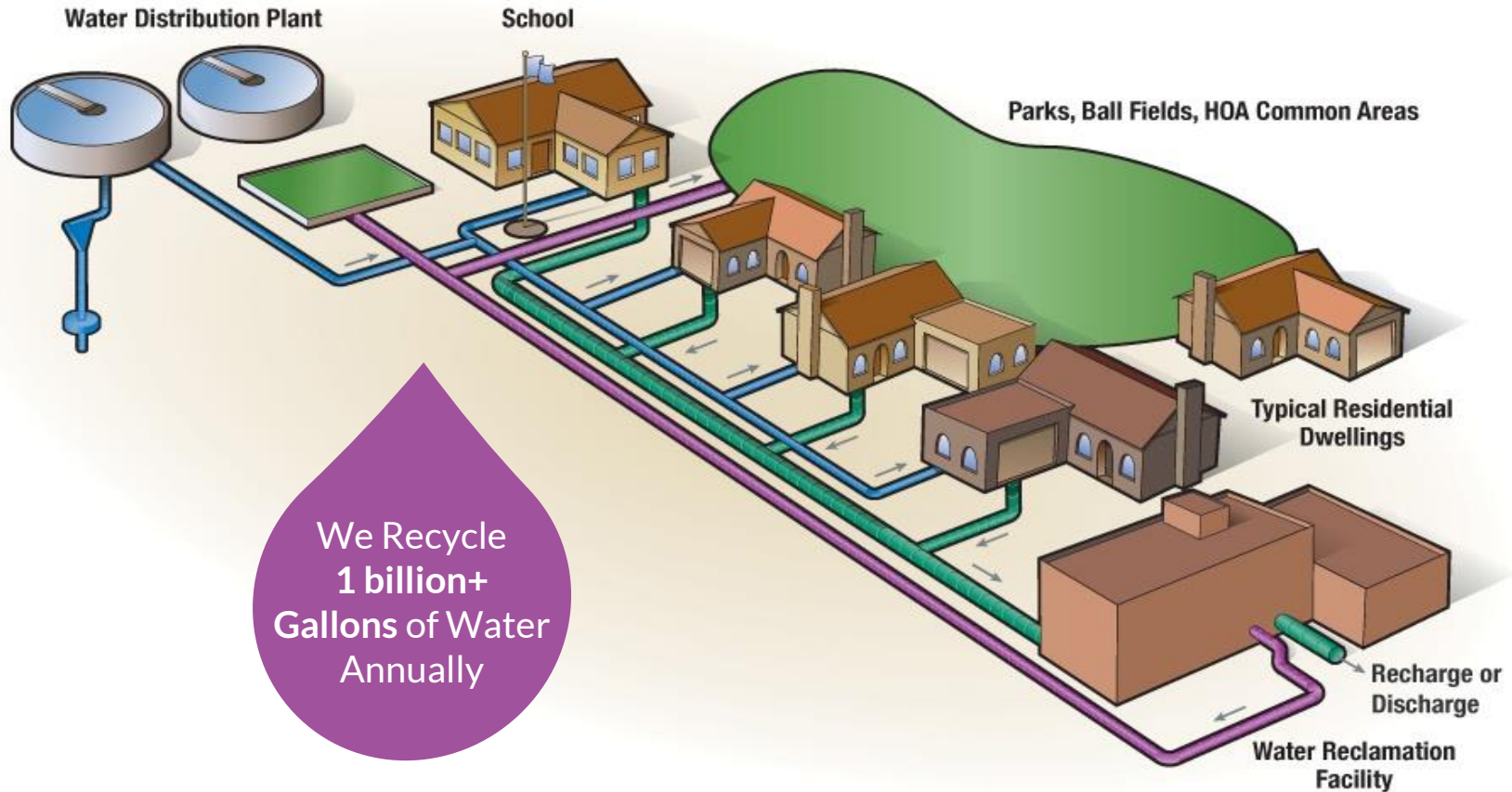
Estimated to grow **31%** to ~496,000 people in 2024 from ~379,000 in 2010.

1) Source: [World Population Review](#), 2010-2024P.

62,451 Total Active Connections
@ March 31, 2024

500+ Square Miles Permitted Service Territory
~385 square miles of certificated service area

We Manage the Entire Water Cycle Through Our Operating Model of Total Water Management

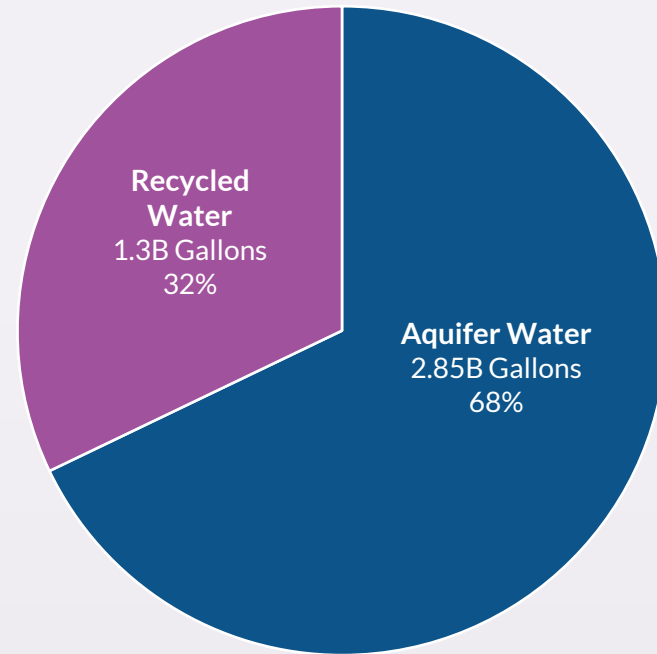


We Recycle
1 billion+
Gallons of Water
Annually

Our Recycled Water Relieves Aquifer Demand

- Water use in 2023 totaled 4.2 billion gallons.
 - 68% aquifer water or 2.85 billion gallons.
 - 32% recycled water or 1.35 billion gallons.
- Our Total Water Management practices **reduced demand** on the Maricopa Stanfield Sub-basin aquifer by **32% in 2023**.

Global Water's Full Year 2023 Water Usage



2023 Water Usage

	Gallons Used	Gallons per Acre Foot	Acre Feet	% of Total Water Usage
DAWS/Aquifer Water Used	2,851,196,250	325,851	8,750	68%
Recycled Water Used	1,348,992,000	325,851	4,140	32%
Total Water Used	4,200,188,250		12,890	100%

Aquifer water source is Maricopa Stanfield Sub-basin aquifer

Utilization of Advanced Technology Results in Conservation, Improved Service Levels & Efficiencies



Advanced Treatment Systems



Automated Asset Management



Centralized Call Centers



Remote Meter Reading



Real-time Monitoring

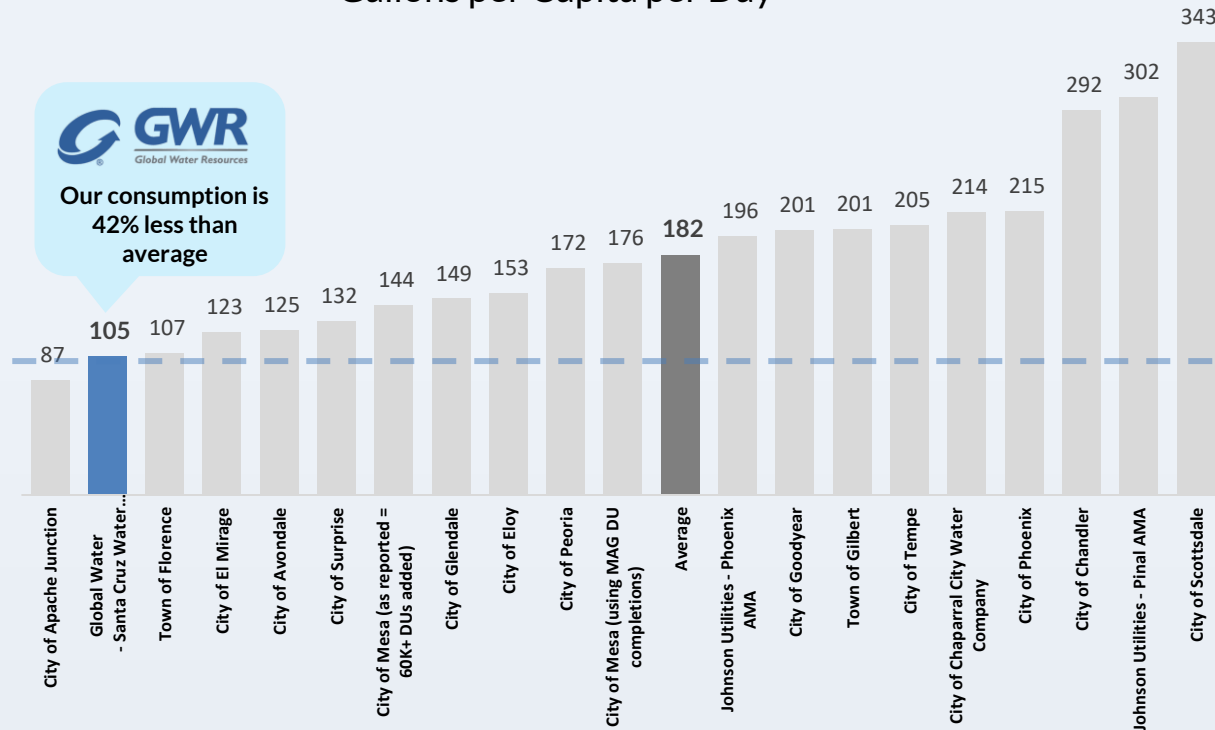


Sophisticated Team of Engineers, Analysts & Technicians

We Use 42% Less Water than Average

- **Total Water Management water reuse practices** enables less water consumption compared to other service providers.
- In fact, we use on average **105 gallons** of water per capita per day.
- Our daily consumption is **42% less** than the average consumption of 182 gallons of water per capita per day.

Average Daily Consumption by Designated Service Provider Gallons per Capita per Day

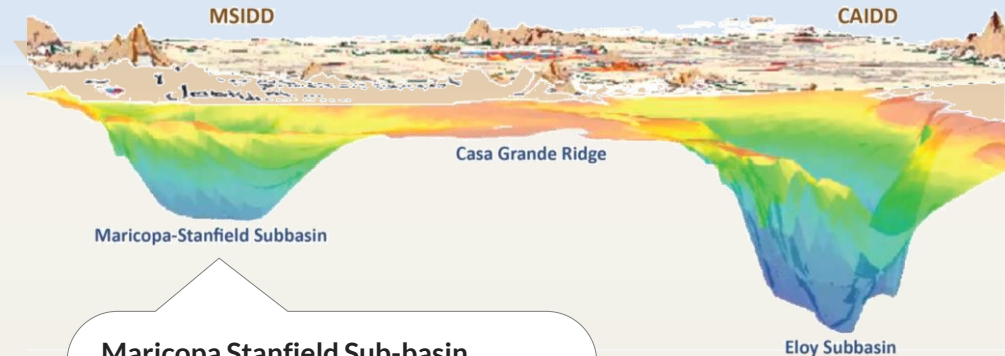


Source: The Arizona Department of Water Resources, the state's water supply regulator, provided the average consumption per day per person for all designated water providers in the Phoenix and Pinal County Active Management Areas as of 2021.

Reliable Source of Fresh Water Supply

- **Underground aquifers are our primary source of fresh water supply.**
- **We do not rely on the Colorado River for water.**
- **We have an existing assured water supply from the Maricopa Stanfield Sub-basin aquifer.**
- Well positioned to grow notwithstanding regional water constraints.
- Global Water is at forefront of water resource management and involved with developing long-term water solutions.

Maricopa-Stanfield Sub-basin Aquifer

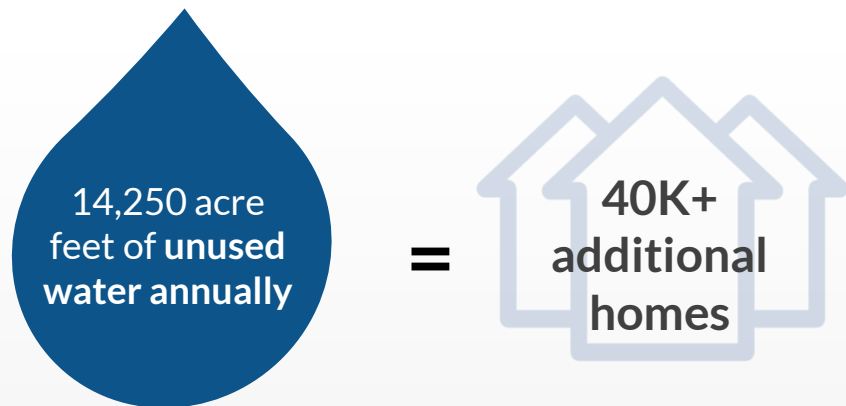


Maricopa Stanfield Sub-basin aquifer sits under the City of Maricopa, Arizona, located just south of Phoenix.

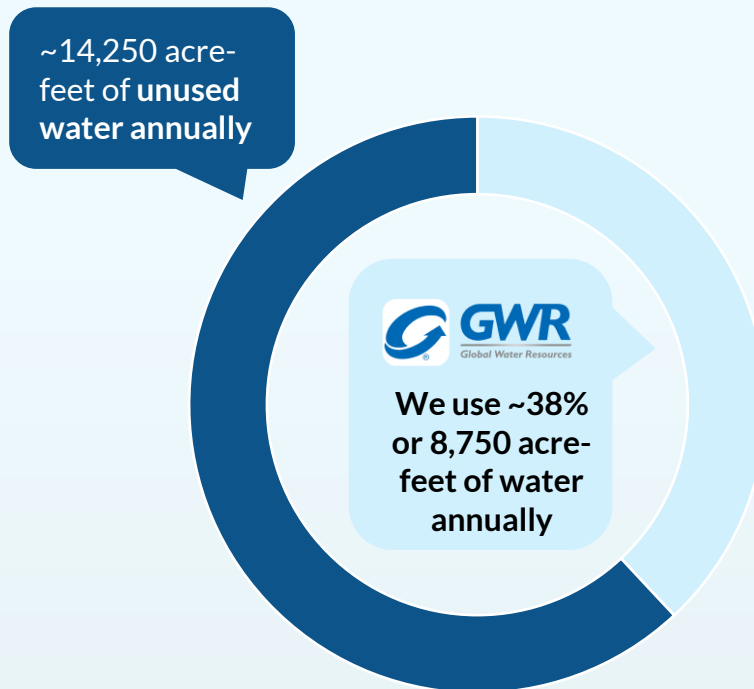
At **~23,000** acre-feet of water per year, our Assured Water Supply is **one of the largest in the region.**

Ample Underground Water Supply

- **Global Water** uses only ~38% of its allocated portion of the Maricopa Stanfield Sub-basin aquifer's annual capacity.
- 14,250 acre-feet annually of **untapped water** can support **40K additional homes**.



Maricopa-Stanfield Sub-basin Aquifer
Global Water has ~23,000 acre-feet annual capacity





Organic Growth

Grow our customer base with addition of new active connections in our service areas.



New Service Areas

Expand our service areas in Arizona growth corridors.



Acquisitions

Make accretive acquisitions of water and wastewater utilities.



Utility Rate Increases

Rate increases from rate cases with Arizona Corporation Commission.



Organic Growth Continues

Up 4.4% y/y
at March 31, 2024

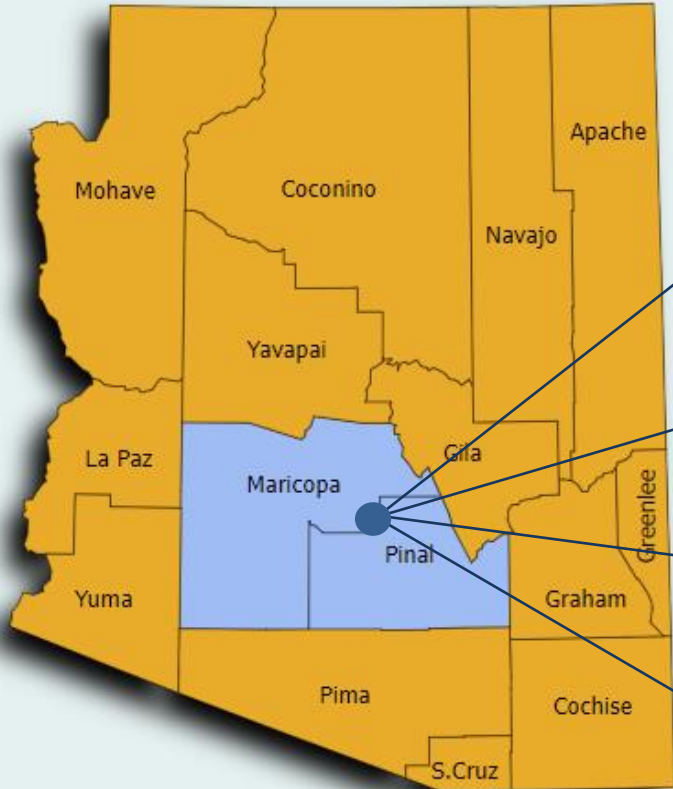
Additional Growth Opportunities through Acquisitions & New Service Areas

Total Active Connections





Maricopa/Pinal County Business Boom



Aerospace & Defense

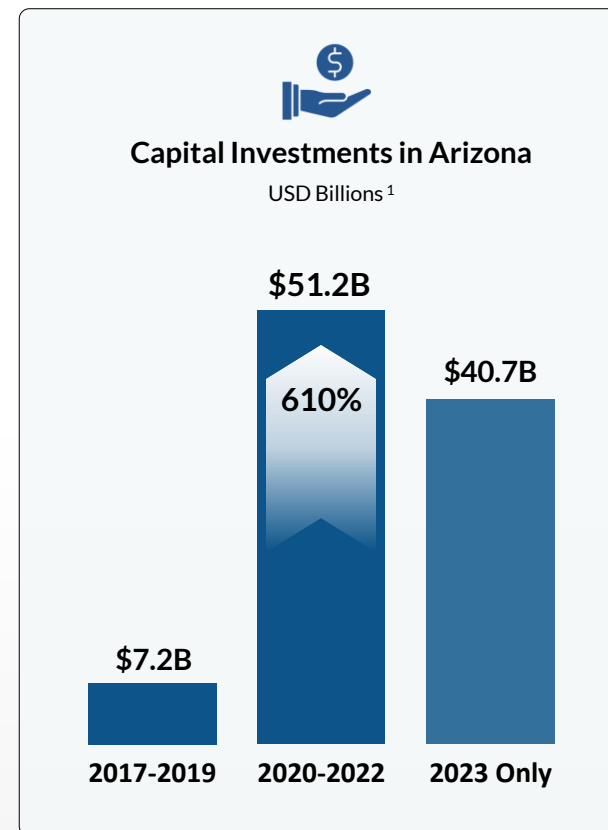
Data Centers

Semiconductor

Automated & EVs



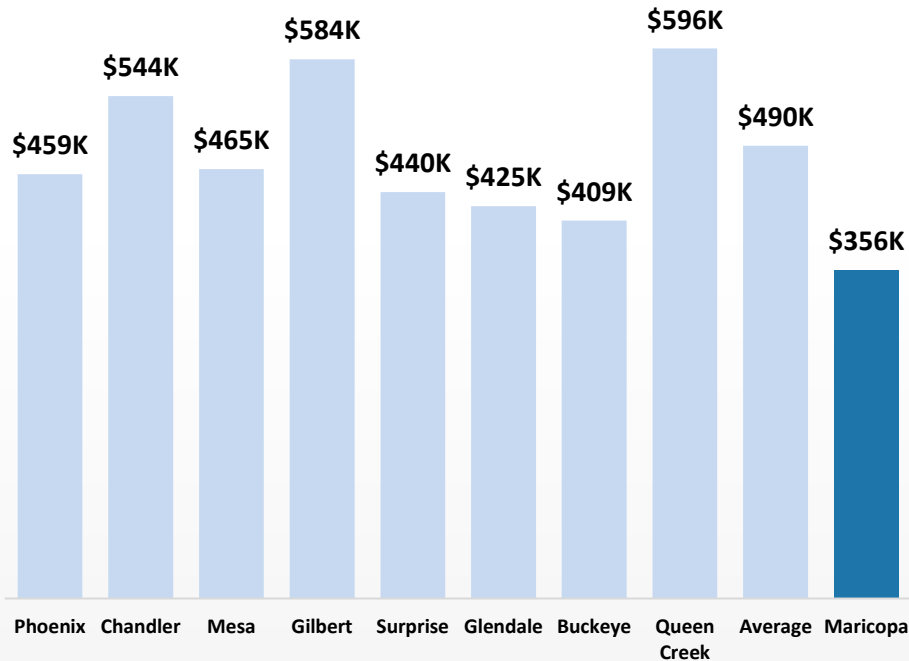
- **\$40.7B** of capital invested in Arizona in 2023.¹
- **\$51.2B** of capital invested in Arizona for the years 2020 through 2022 was up **610%** vs. preceding three years.¹
- Major new manufacturing facility announcements by TSMC, Intel and P&G:
 - Dec. 2022: **TSMC** announced opening a second chip plant in AZ, raising its investment in the state to **\$40B**.
 - Intel and Canada's Brookfield Asset Management announced deal to jointly fund Intel fabrication facilities in Chandler, AZ for up to **\$30B**.²
 - P&G announced **\$500M** investment for new manufacturing facility at Inland Port, AZ.
- ~478,000 new jobs to be created in AZ by 2032, an annualized growth rate of 1.4%, more than four times the U.S. rate.³
- **Arizona has become a central business hub:**
 - Ranked #1 in U.S. for entrepreneurial activity.⁴
 - State individual income tax at 2.5%, among lowest in U.S.⁵
 - Corporate income tax at 4.9%, among lowest in U.S.⁴



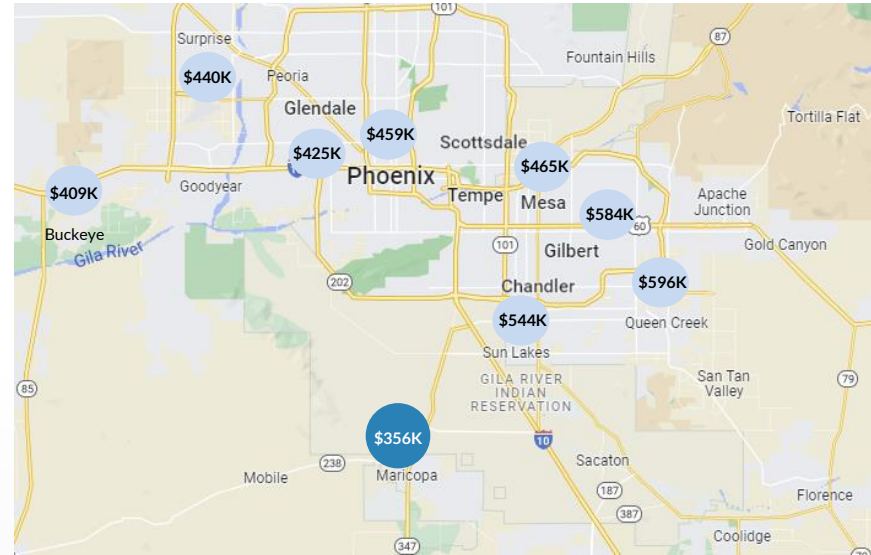


City of Maricopa's Favorable Median Home Prices

Median Home Prices March 2024¹



Median Home Prices by City

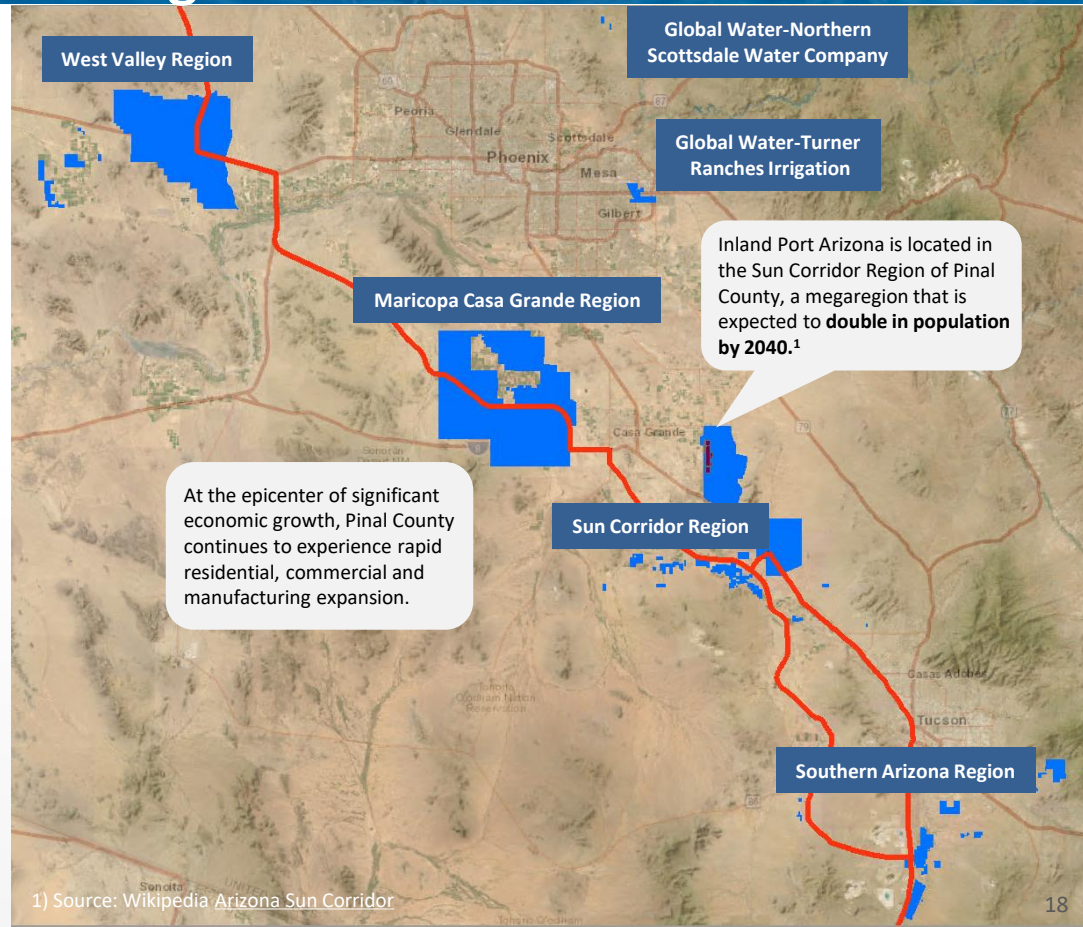


Maricopa's median home price of \$356K is at a 27% discount to the average median home price of \$490K.

1. Redfin.com; All Home Types

Global Water to Service 30 sq Mile Planning Area & 2,700 Acre Industrial Mega-Site

- Signed agreements with City of Coolidge and Saint Holdings to provide water, wastewater, and recycled water services to Phoenix-area industrial mega-site under development.
- Located southeast of Phoenix in **Sun Corridor** where large-scale economic development projects are underway:
 - 2,700 sq. acre industrial mega-site served by rail and major highways.
 - Also, signed franchise agreement with Coolidge for the surrounding 30 sq. miles of their southern planning area.
 - Received ACC permit for major portion of planning area.
 - Actively engaged with developers to provide utility solutions for new projects in this expansive area, from factories and large offices to retail centers and residential.
- **Nov. 2022:** P&G received approval of an economic development agreement to build a **new manufacturing facility on 427 acres at Inland Port** in our approved service area adjacent to Nikola.
 - Represents **\$500M** investment by P&G.
 - Expected to create **~500 new jobs**.
 - We will work directly with P&G to establish **water, wastewater and recycled water services** for the facility.
 - We are planning to service the facility by 2026.



1) Source: Wikipedia Arizona Sun Corridor



Acquired 12 Utilities Since 2017

- Eagletail Water
- Turner Ranches
- Red Rock Water
- Red Rock Wastewater
- Mirabell Water
- Francesca Water
- Tortolita Water
- Lyn-Lee Water
- Twin Hawks
- Rincon
- Las Quintas Serenas
- Farmers Water Company

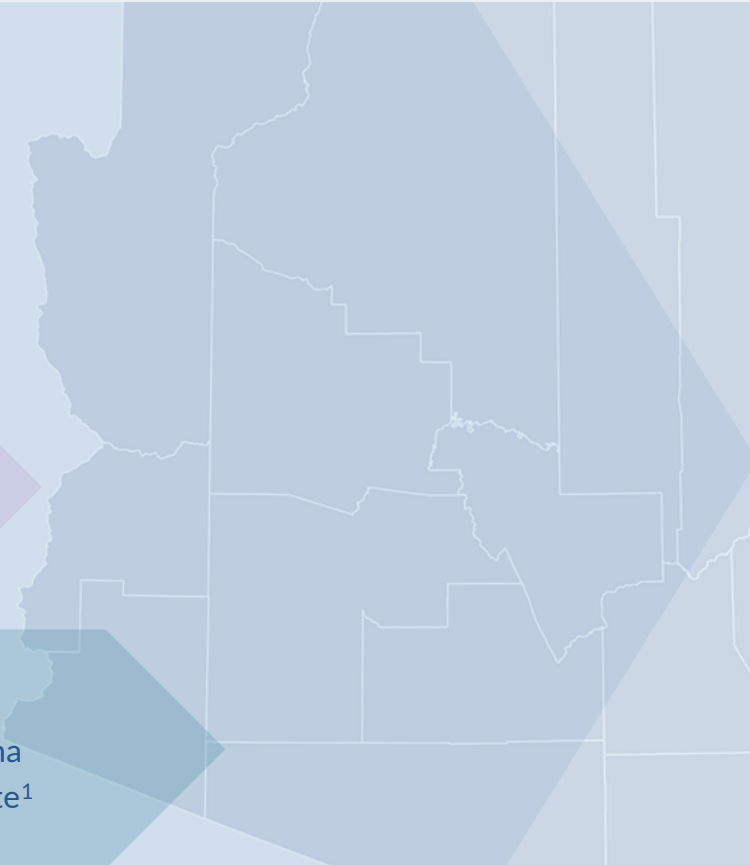


These acquisitions added a total of

- 7,670 connections
- ~61.3 square miles of service area
- ~\$4.4M in 2022 annual revenue, including Farmers estimated



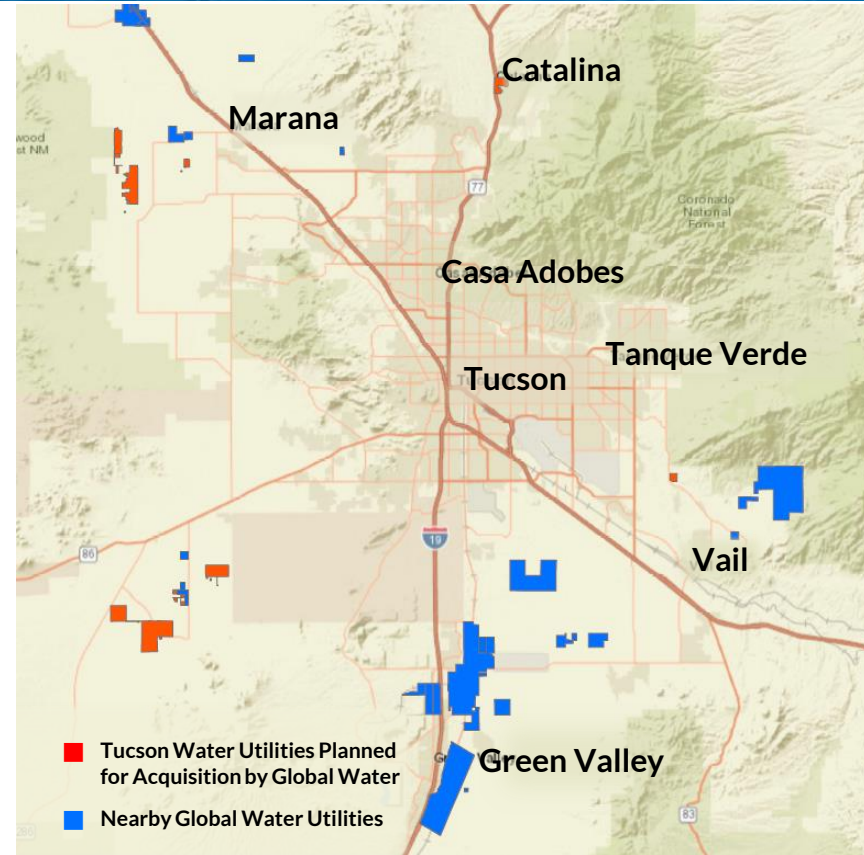
- In preliminary discussions with several other utilities.
- Significant opportunities and need for consolidation in Arizona
- 300+ investor-owned water & wastewater utilities in the state¹



1) Source: Arizona Corporation Commission (ACC) website



- **May 7, 2024: Agreed to acquire seven systems from the City of Tucson for \$8.4 million in cash.**
- Acquisition would add:
 - ~2,200 active water service connections.
 - **Estimated rate base of the seven water systems is ~\$7.8M.**
- The addition of the new systems will bring the total connection count in Pima County to ~7,200.
- We plan to **upgrade its water connections** from manually-read meters to **smart meters**.
- The acquisition is anticipated to be completed early next year, subject to approval by the ACC.





Utility Rate Increases

Rate Case Opportunities



August 2022: Filed case for new rates covering 96% of our active service connections.

2022/2023



Outcome of Aug. 2022 rate case: Annualized revenue increase of \$2.2 million, fully phased in during 2023.

2024



Current Rate Case
Saguaro Region (Pima County)

Expected to conclude in 2024 with ~\$350,000 increase in revenue.

2025



Planned Rate Case

Santa Cruz-Water & Palo Verde-Wastewater

Planning to file a rate case for our two largest utilities in 1H-2025. Rate case decision expected in 2026 ¹

Planned Rate Case
Farmers Utility Rate Case

To file in 2024



Farmers rate case
decision expected in 2025 ¹

Southwest Plant Depreciation Deferral Docket

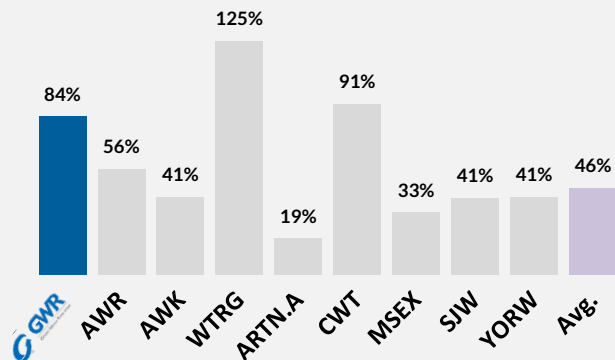
During this docket, it was discovered that in 2007 about \$7.8M of our investment in the SW Plant was premature, included as "plant in service" for rate-making purposes. We provided this information to the ACC and will be working with them in the coming months to resolve the matter. On April 25, 2024, GW-Palo Verde filed an application with the ACC requesting a monthly bill credit for customers that would be in place until the conclusion of the next GW-Palo Verde rate case. If approved as filed, the impact of the bill credit would reduce revenue earned subsequent to the order by approximately \$570,000 annually. The final outcome and resolution cannot be predicted and the results, while not reasonably estimable at this time, could be material.

1) Too early to estimate positive revenue impact.

We Compare Favorably to Our Peers Across Key Metrics

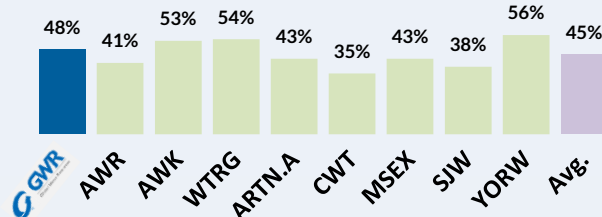
EBITDA Growth

TTM vs FY 2016



Adjusted EBITDA Margin

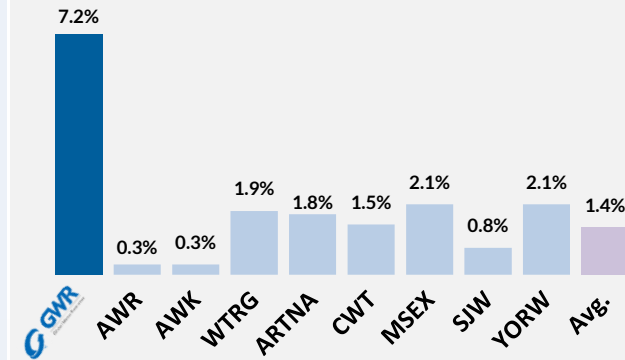
TTM



Active Connection Growth

5-Year Average

@12/31/2023

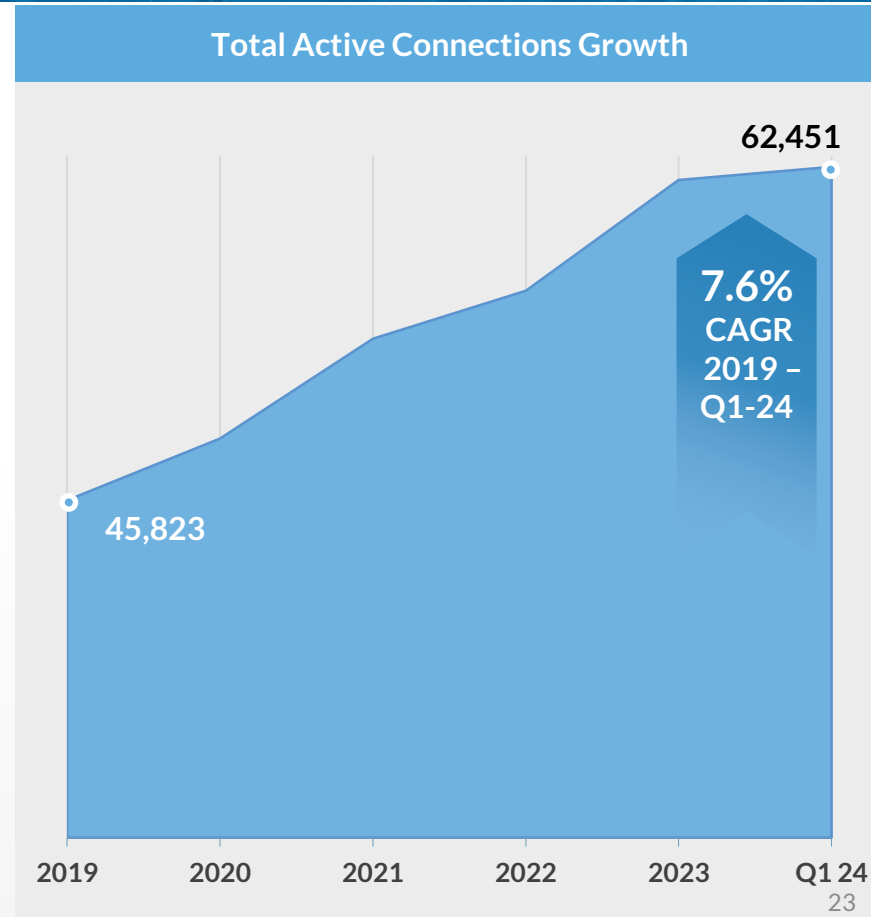


	Global Water Resources (GWR)	American States Water Company (AWR) ³	American Water Works Company (AWK)	Essential Utilities, Inc. (WTRG)	Artesian Resources Corp. (ARTNA)	California Water Service Group (CWT)	Middlesex Water (MSEX) ³	SJW (SJW)	The York Water Co. (YORW)	Peer Comp. Average ²
EBITDA Growth ¹	84%	56%	41%	125%	19%	91%	33%	41%	41%	46%
EBITDA Margin ¹	48%	41%	53%	54%	43%	35%	43%	38%	56%	45%
Active Connection Growth 5-Year Avg.	7.2%	0.3%	0.3%	1.9%	1.8%	1.5%	2.1%	0.8%	2.1%	1.4%

GWR: Strong EBITDA Margin and EBITDA Growth, and Leading Active Connection Growth vs. Peers

Global Water Resources Key Takeaways

- **Pure-play, high growth** water resource management company, focused on conservation.
- **High Connection Growth Rate** – 7.6% CAGR in active service connections from 2019 to Q1 2024.
- **Acquisitions & new service area platform.**
- **Rate Case** opportunities.
- **Exclusive** right to provide service in large service areas.
- **Capacity** to significantly grow customer base with existing water supplies.
- **Highly automated utilities** focused on operational efficiency, technology and future expansion.
- **Strong dividend policy driving value creation.**



Contact Us

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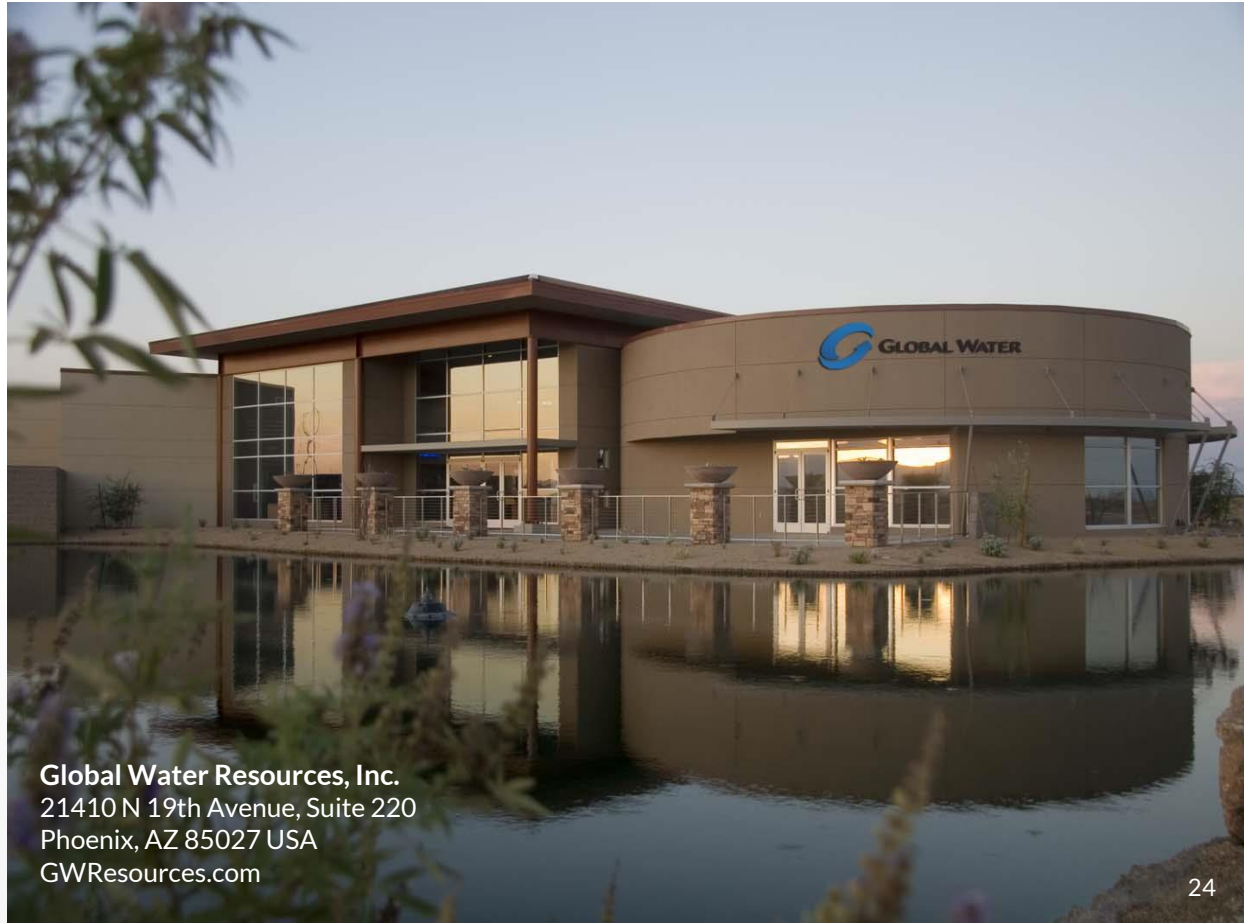
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Appendix

Leadership Team



Ron L. Fleming
*President, CEO &
Director*



Mike Liebman
CFO & SVP



Chris Krygier
*Chief Operations
Officer*



Joanne Ellsworth
EVP of Corporate Affairs

20+ years of related management and utility experience, including project management on numerous large-scale heavy civil infrastructure projects throughout Arizona.

Previously served as Global Water's project manager, general manager, vice president and chief operations officer.

Serves on the board of directors for the National Association of Water Companies, Maricopa Economic Development Alliance and Pinal Partnership where he is the Co-Chair of the Water Resources Committee.

BA, Construction Management, School of Engineering at Northern Arizona University.

23+ years of finance and management experience.

10+ years at Global Water raising over \$200 million of capital during that time.

Prior to Global Water, was Sr. Director at Alvarez and Marsal, where he successfully negotiated the restructuring of over \$3 billion in capital and raised \$750 million of new capital for clients.

Certified Public Accountant (CPA).

B.A., Accounting, Northern Arizona University.

15+ years' experience in operational management, regulatory strategy, and capital deployment for large projects and transactions, along with multi-state experience and industry knowledge.

Serves as Chairman of Water Utilities Association of Arizona, Arizona's largest consortium of water IOUs.

Earlier held several positions of increasing responsibility at several of Arizona's largest water and wastewater investor-owned utilities.

Certified Management Accountant and CFA charter-holder.

B.S., Economics; MBA, Finance, Arizona State University, W. P. Carey School of Business.

Joined Global Water in 2011, with 17 years of experience as an attorney, including representing municipalities regarding economic development, infrastructure financing and construction, condemnation, and zoning.

Member of the Missouri Bar, a graduate of the University of Kansas and the University of Missouri Kansas City – School of Law (UMKC), where she was a member and editor of the UMKC Law Review.

Consolidated Balance Sheets

Financial information in this and the following slides are presented in thousands (except share and per share amounts). Unaudited.

	March 31, 2024	December 31, 2023
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Land	\$ 2,674	\$ 2,674
Depreciable property, plant and equipment	416,780	414,170
Construction work-in-progress	51,750	48,147
Other	697	697
Less accumulated depreciation	(145,306)	(142,367)
Net property, plant and equipment	326,595	323,321
CURRENT ASSETS:		
Cash and cash equivalents	20,655	3,087
Accounts receivable, net	2,497	2,845
Customer payments in-transit	516	543
Unbilled revenue	2,835	2,755
Taxes, prepaid expenses and other current assets	2,062	2,494
Total current assets	28,565	11,724
OTHER ASSETS:		
Goodwill	10,820	10,820
Intangible assets, net	8,842	8,841
Regulatory assets	2,888	2,898
Restricted cash	2,217	1,676
Right-of-use assets	1,657	1,741
Other noncurrent assets	79	74
Total other assets	26,503	26,050
TOTAL ASSETS	\$ 381,663	\$ 361,095

	March 31, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 609	\$ 1,027
Accrued expenses	8,927	7,129
Customer and meter deposits	1,619	1,628
Long-term debt, current portion	3,881	3,880
Leases, current portion	566	553
Total current liabilities	15,602	14,217
NONCURRENT LIABILITIES:		
Line of credit	—	2,315
Long-term debt	120,978	101,341
Long-term lease liabilities	1,278	1,370
Deferred revenue - ICFA	19,768	19,656
Regulatory liabilities	6,075	6,076
Advances in aid of construction	112,723	111,529
Contributions in aid of construction, net	36,547	36,409
Deferred income tax liabilities, net	8,516	8,284
Acquisition liabilities	3,027	3,048
Other noncurrent liabilities	9,459	8,230
Total noncurrent liabilities	318,371	298,258
Total liabilities	333,973	312,475
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value, 60,000,000 shares authorized; 24,498,195 and 24,492,918 shares issued as of March 31, 2024 and December 31, 2023, respectively.	240	240
Treasury stock, 322,082 and 317,677 shares at March 31, 2024 and December 31, 2023, respectively.	(2)	(2)
Paid in capital	46,655	47,585
Retained earnings	797	797
Total shareholders' equity	47,690	48,620
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 381,663	\$ 361,095

Unaudited Consolidated Statements of Operations

	Three Months Ended March 31,	
	2024	2023
REVENUES:		
Water services	\$ 5,226	\$ 4,839
Wastewater and recycled water services	6,384	6,021
Unregulated revenues	—	2,268
Total revenues	<u>11,610</u>	<u>13,128</u>
OPERATING EXPENSES:		
Operations and maintenance	3,284	2,789
General and administrative	4,125	3,907
Depreciation and amortization	2,934	2,655
Total operating expenses	<u>10,343</u>	<u>9,351</u>
OPERATING INCOME	<u>1,267</u>	<u>3,777</u>
OTHER INCOME (EXPENSE):		
Interest income	238	5
Interest expense	(1,566)	(1,168)
Allowance for equity funds used during construction	207	299
Other, net	795	418
Total other expense	<u>(326)</u>	<u>(446)</u>
INCOME BEFORE INCOME TAXES	941	3,331
INCOME TAX EXPENSE	<u>(250)</u>	<u>(865)</u>
NET INCOME	<u>\$ 691</u>	<u>\$ 2,466</u>
Basic earnings per common share	\$ 0.03	\$ 0.10
Diluted earnings per common share	\$ 0.03	\$ 0.10
Dividends declared per common share	\$ 0.08	\$ 0.07
Weighted average number of common shares used in the determination of:		
Basic	24,175,699	23,871,046
Diluted	24,295,067	24,026,617

	Year Ended December 31,	
	2023	2022
REVENUES:		
Water services	\$ 24,860	\$ 20,885
Wastewater and recycled water services	25,382	23,843
Unregulated revenues	2,786	—
Total revenues	<u>53,028</u>	<u>44,728</u>
OPERATING EXPENSES:		
Operations and maintenance	12,669	10,889
General and administrative	16,636	16,130
Depreciation and amortization	11,437	9,890
Total operating expenses	<u>40,742</u>	<u>36,909</u>
OPERATING INCOME	<u>12,286</u>	<u>7,819</u>
OTHER INCOME (EXPENSE):		
Interest income	52	65
Interest expense	(4,882)	(4,759)
Allowance for equity funds used during construction	981	723
Other, net	2,417	2,592
Total other expense	<u>(1,432)</u>	<u>(1,379)</u>
INCOME BEFORE INCOME TAXES	10,854	6,440
INCOME TAX EXPENSE	<u>(2,872)</u>	<u>(934)</u>
NET INCOME	<u>\$ 7,982</u>	<u>\$ 5,506</u>
Basic earnings per common share	\$ 0.33	\$ 0.24
Diluted earnings per common share	\$ 0.33	\$ 0.24
Dividends declared per common share	\$ 0.30	\$ 0.30
Weighted average number of common shares used in the determination of:		
Basic	24,044,950	23,172,733
Diluted	24,129,542	23,332,356

Unaudited Consolidated Statements of Operations

	Twelve Months Ended March 31,	
	2024	2023
REVENUES:		
Water services	\$ 25,247	\$ 21,376
Wastewater and recycled water services	25,745	24,183
Unregulated revenues	518	2,268
Total revenues	<u>51,510</u>	<u>47,827</u>
OPERATING EXPENSES:		
Operations and maintenance	13,164	11,135
General and administrative	16,854	16,257
Depreciation and amortization	11,716	10,202
Total operating expenses	<u>41,734</u>	<u>37,594</u>
OPERATING INCOME	<u>9,776</u>	<u>10,233</u>
OTHER INCOME (EXPENSE):		
Interest income	285	68
Interest expense	(5,280)	(4,722)
Allowance for equity funds used during construction	889	1,022
Other, net	2,794	1,938
Total other expense	<u>(1,312)</u>	<u>(1,694)</u>
INCOME BEFORE INCOME TAXES	8,464	8,539
INCOME TAX EXPENSE	(2,257)	(1,456)
NET INCOME	<u>\$ 6,207</u>	<u>\$ 7,083</u>
<i>Net Income Margin</i>	<i>12.1 %</i>	<i>14.8 %</i>

Reconciliation of GAAP to Non-GAAP Financial Measures

Cautionary Statement Regarding Non-GAAP Measures

This presentation contains certain financial measures that are not recognized measures under accounting principles generally accepted in the United States of America ("GAAP"), including, EBITDA, adjusted EBITDA and adjusted EBITDA margin. EBITDA is defined for the purposes of this presentation as net income before interest, income taxes, depreciation, and amortization. Adjusted EBITDA is defined as EBITDA excluding the gain or loss related to (i) nonrecurring events; (ii) option expense related to awards made to management; (iii) restricted stock expense related to awards made to executive officers; (iv) disposal of assets; and (v) ICFA revenue recognition, as applicable. Adjusted EBITDA margin is defined as adjusted EBITDA divided by total regulated revenue.

Management believes that EBITDA, adjusted EBITDA and adjusted EBITDA margin are useful supplemental measures of our operating performance and provide our investors meaningful measures of overall corporate performance. EBITDA is also presented because management believes that it is frequently used by investment analysts, investors, and other interested parties as a measure of financial performance. Adjusted EBITDA and adjusted EBITDA margin are also presented because management believes that they provide our investors additional measures of our recurring core business. However, non-GAAP measures do not have a standardized meaning prescribed by GAAP, and investors are cautioned that non-GAAP measures, such as EBITDA, adjusted EBITDA and adjusted EBITDA margin, should not be construed as an alternative to net income or loss or other income statement data (which are determined in accordance with GAAP) as an indicator of our performance or as a measure of liquidity and cash flows. Management's method of calculating EBITDA, adjusted EBITDA and adjusted EBITDA margin may differ materially from the method used by other companies and accordingly, may not be comparable to similarly titled measures used by other companies.

A reconciliation of EBITDA, adjusted EBITDA and adjusted EBITDA margin to net income, the most comparable GAAP measure, are included on this page.

	Three Months Ended March 31,	
	2024	2023
Net Income	\$ 691	\$ 2,466
Income tax expense	250	865
Interest income	(238)	(5)
Interest expense	1,566	1,168
Depreciation	2,934	2,655
EBITDA	5,203	7,149
ICFA revenue	-	(2,268)
Management option expense	-	43
(Gain) loss on disposal of fixed assets	2	(11)
Restricted stock expense	198	255
Rate case adjustment	-	-
EBITDA adjustments	200	(1,981)
Adjusted EBITDA	\$ 5,403	\$ 5,168
<i>Adjusted EBITDA Margin</i>	<i>47 %</i>	<i>48 %</i>

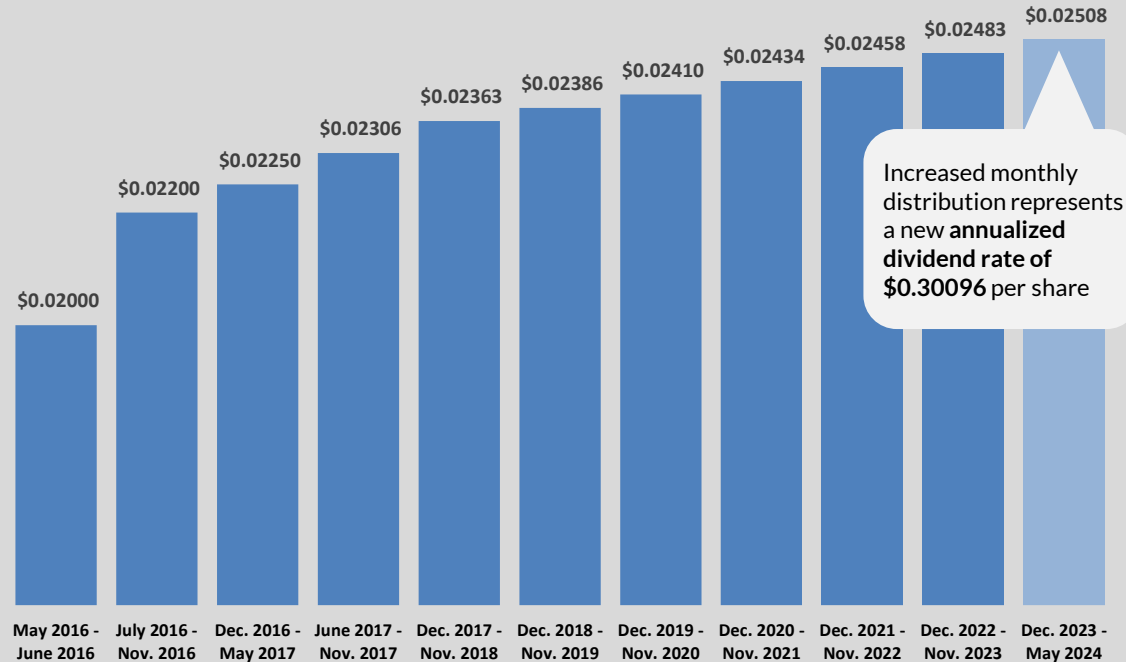
	Twelve Months Ended March 31,	
	2024	2023
Net Income	\$ 6,207	\$ 7,083
Income tax expense	2,257	1,456
Interest income	(285)	(69)
Interest expense	5,280	4,722
Depreciation	11,716	10,202
EBITDA	25,175	23,394
ICFA revenue	(518)	(2,268)
Management option expense	49	172
(Gain) loss on disposal of fixed assets	(50)	-
Restricted stock expense	914	1,255
Rate case adjustment	-	314
EBITDA adjustments	395	(527)
Adjusted EBITDA	\$ 25,570	\$ 22,867
<i>Adjusted EBITDA Margin</i>	<i>50 %</i>	<i>47 %</i>

	Twelve Months Months Ended December 31,	
	2016	
Net Income	\$	(2,852)
Income tax expense (benefit)		(1,489)
Interest income		(18)
Interest expense		11,866
Depreciation		6,279
EBITDA		13,786
Loss on sale of Willow Valley		54
Board option expense		648
Gain on sale of Sonoran acquisition liability		(954)
Equity investment loss		340
EBITDA adjustments		88
Adjusted EBITDA	\$	13,874
<i>Adjusted EBITDA Margin</i>		<i>46 %</i>

Q1 2024 Financial Results

- **Total active connections:** up 4.4% y/y to 62,451 at March 31, 2024.
- **Regulated revenues:** up 6.9% to \$11.6M.
- **Net income:** \$0.7M.
- **Net income margin:** 6.0%.
- **Adjusted EBITDA:** 5.4M.¹
- **~\$35.7M of capital resources:**
Reflects cash & cash equivalents and full amount available for borrowing under \$15M revolving line of credit.²

Monthly Dividend Growth



1) Adjusted EBITDA is a non-GAAP financial measure. For its definition and reconciliation to GAAP net income margin, see "Reconciliation" slide in Appendix.

2) Total capital resources as of March 31, 2024.

Dividend Payment Date



Environmental

As a water resource management company, we will always be focused on conservation.

Operational Platform

- Recycling over one billion gallons/year reduces demand on underground aquifers by 32%.
- All biological waste converted to fertilizer.
- Efficient systems minimize energy usage and carbon footprint.

Customer Platform

- Automated hourly meter reading provides customers actionable information for water conservation.
- Automated leak detection alerts.
- Conservation rebates rewards customers for using less water.



Social

Employee Focus: Training and Safety

- Training and Safety is company's top mandate
- E-mod of 0.89 below industry average of 1.0

Customer Focus

Surpassed six years since last significant compliance violation.

- **Health:** water quality is paramount, meeting all compliance standards (EPA, ADEQ, others)
- **Service:** dedicated call center staff, high customer service scores, online customer portal allows automated ebills/epay.
- **Assistance:** expanded customer assistance program and provided over \$120,000 in assistance to customers in 2020, over \$80,000 in 2021 and more than \$105,000 in 2022.

Community Focus: We are an integral part of the community we serve, supporting sponsorships, partnerships and donations.



Governance

- **Board of Directors:** Highly qualified, relevant experience, majority independent.
- Management incentivized to be aligned with the interests of shareholders and other stakeholders.
- Audited by a Big 4 accounting firm.
- As a U.S. public company, we take the requirements to maintain effective internal controls seriously.
- 2023 ESG Report available on our website in the investors section.

Our Operational Foundation is Based on Four Core Beliefs

- **Water is a scarce commodity** that must be conserved and actively managed.
- **Recycled water is a renewable resource** that must be used to the benefit of our customers and environment.
- **100% compliance with all regulatory requirements** is paramount and is in the public interest.
- **True success requires a partnership** with our customers and other stakeholders.

