



*Pure-Play Regulated Water & Wastewater Utility Company*

# Forward-Looking Statements

This presentation includes 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 concerning our strategies; expectations about future business plans, prospective performance, growth, and opportunities, including anticipated continued growth across all areas of our business; future financial performance; acquisition plans and our ability to complete additional acquisitions and the expected future benefits, including the anticipated future potential growth from our acquisition strategy; our dividend policy; population and growth projections; technologies; trends and expectations relating to our industry, market, population and job growth, and housing permits, including our belief that the growth in housing permits in the City of Maricopa and Metro Phoenix is a precursor to the demand for more housing options, including multi-family housing projects; liquidity; plans and expectations for capital expenditures; the anticipated completion of the notes offering, including the anticipated timing and satisfaction of customer closing conditions, as well as our anticipated use of the proceeds from the notes offering; 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.

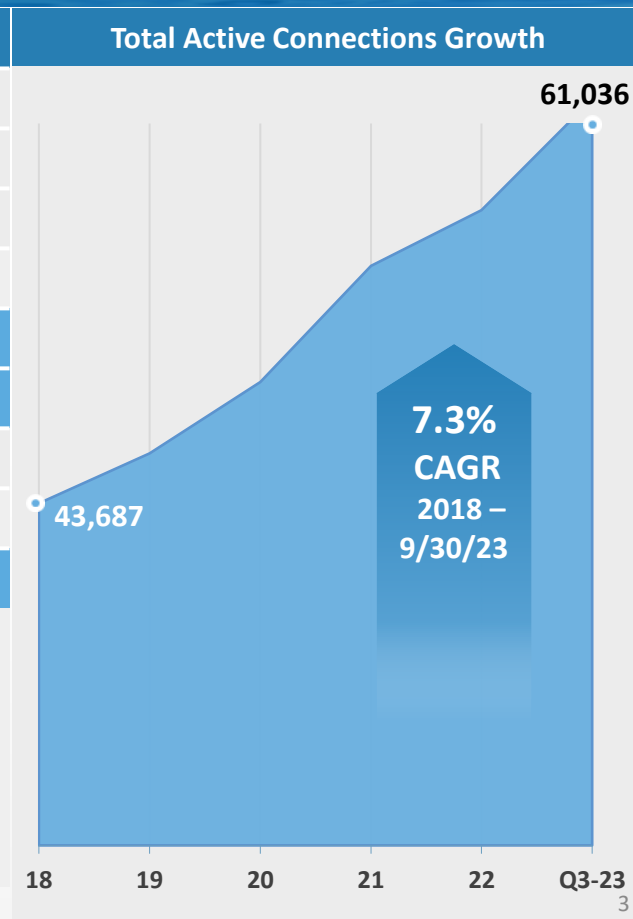
These statements are based on our current beliefs or expectations and are inherently subject to a number of risks, uncertainties, and assumptions, most of which are difficult to predict and many of which are beyond our control. Actual results may differ materially from these expectations due to changes in political, economic, business, market, regulatory, and other factors. 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](http://www.sec.gov). This includes, but is not limited to, our Annual Report on Form 10-K for the year ended December 31, 2022, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, 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)



<b>Stock Price 11/30/23</b>	<b>\$12.19</b>	<b>Total Revenue <i>ttm</i></b>	<b>\$51.8M</b>
52 Week Low-High	\$9.34-\$14.95	Net Income <i>ttm</i>	\$7.7M
Avg. Vol. (3-mo.)	22,134	Net Income Margin <i>ttm</i>	14.8%
Shares Outstanding	24.2M	Adjusted EBITDA <i>ttm</i> <sup>1</sup>	\$25.0M
Public Free Float <i>est.</i>	43%	Adjusted EBITDA Margin <i>ttm</i> <sup>1</sup>	51.1%
<b>Insider Holdings <i>est.</i></b>	<b>57%</b>	<b>Liquidity<sup>2</sup></b>	<b>\$40.3M</b>
Institutional Holdings	30%	<b>Total Assets @ 9/30/23</b>	<b>\$358.5M</b>
<b>Market Cap</b>	<b>\$295M</b>	<b>Total Debt @ 9/30/23</b>	<b>\$107.6M</b>
Enterprise Value	\$396M	<b>Annual Interest Expense <i>ttm</i></b>	<b>\$5.1M</b>
Founded	2003	<b>Dividend Yield @ 11/30/23</b>	<b>2.4%</b>
U.S. IPO	2016		
Total Employees	112		
Active Connections	61K		



- 1) Adjusted 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.
- 2) Liquidity includes cash and cash equivalents of \$5.3 million as of the end of the third quarter of 2023 and \$15 million of unused credit revolving facility, plus \$20 million of gross proceeds from an offering of new senior secured notes, which the company expects to close in January 2024.

*ttm* = Trailing twelve months ended September 30, 2023.  
Sources: Capital IQ, IPREG, 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 29 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.**

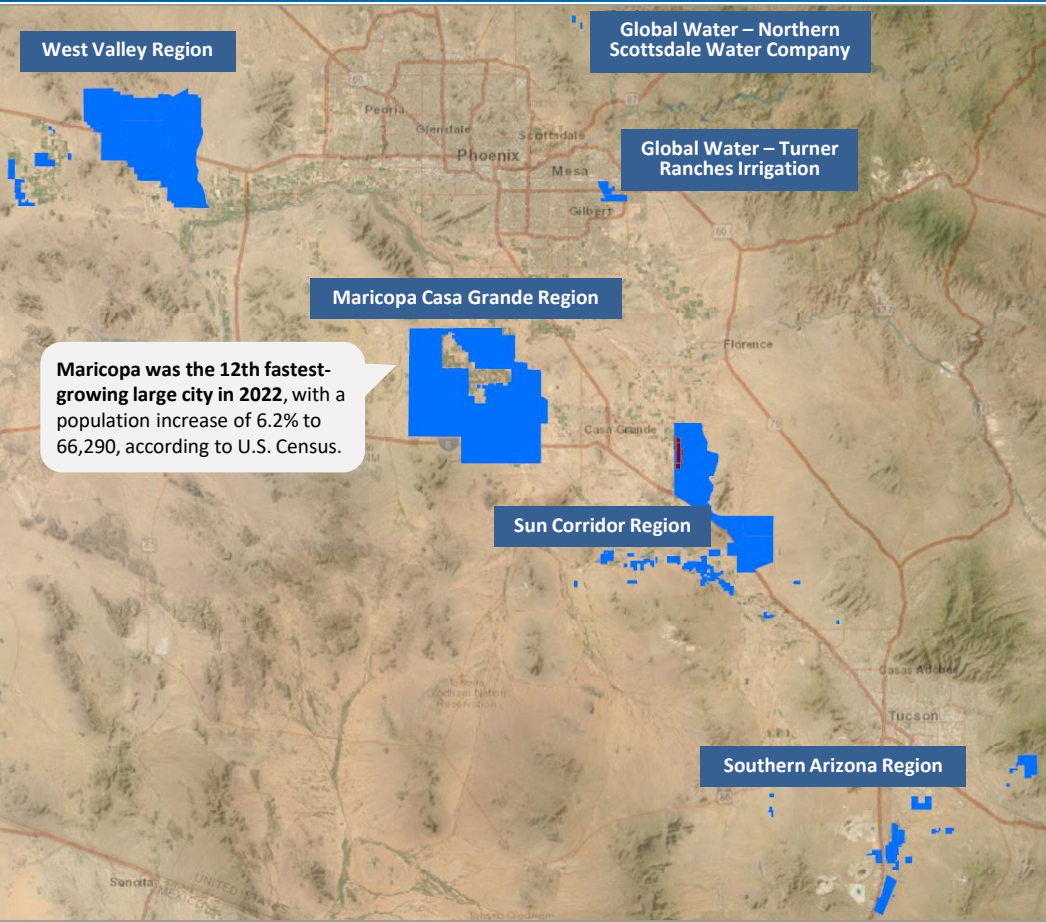
# Core Beliefs

## 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.



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



## Located in Two Fast-Growing Counties<sup>1</sup>

### Maricopa County

Estimated to grow **21%** to 4.6 million people in 2023 compared to 3.8 million in 2010.

1) Source: [World Population Review](#), 2010-2023P.

### Pinal County

Estimated to grow **17%** to ~440,000 people in 2023 from ~376,000 in 2010.

1) Source: [World Population Review](#), 2010-2023P.

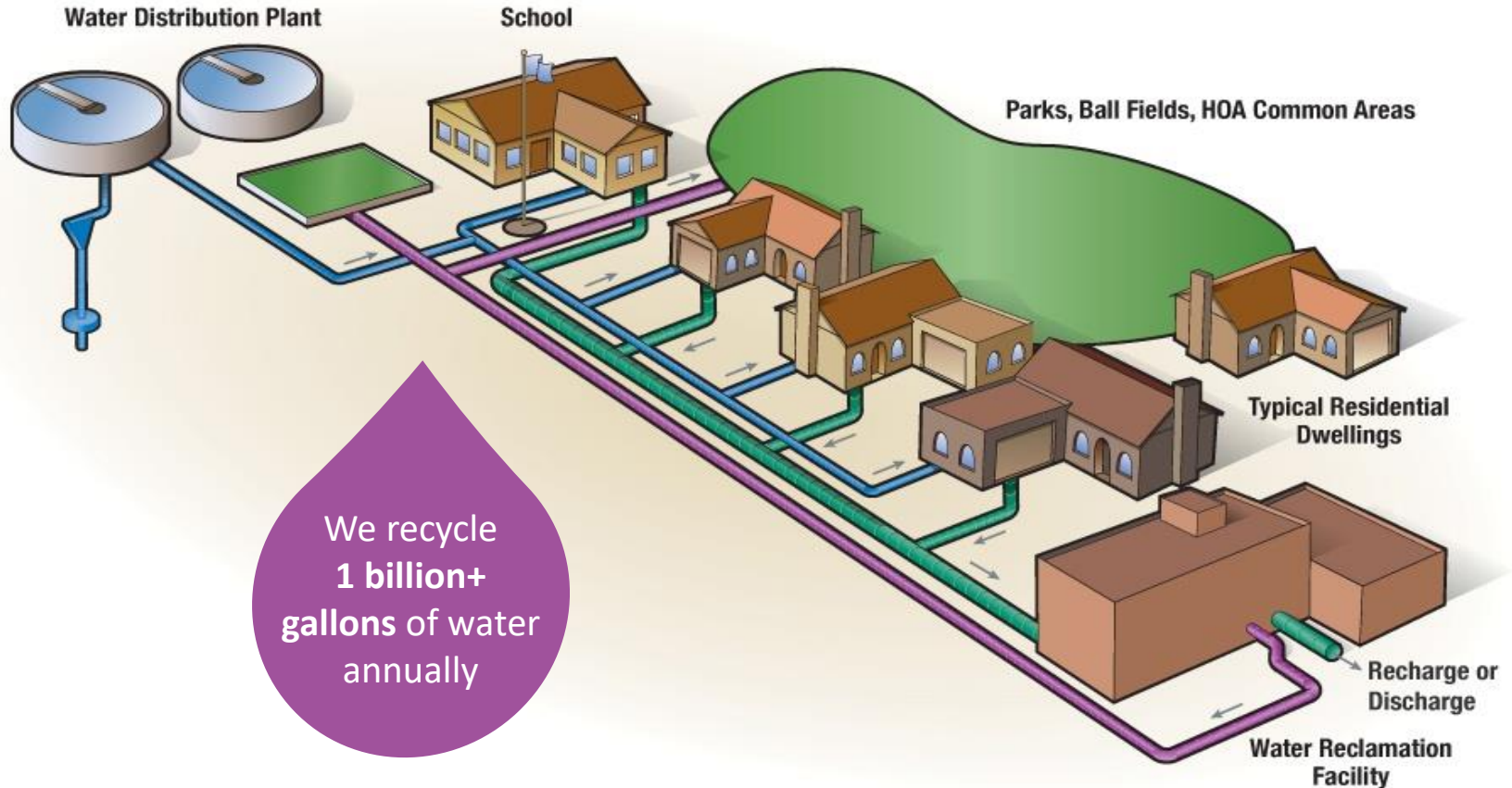
**61,036 Total Active Connections**

@ September 30, 2023

**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



# 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**

# ESG Policy: Environmental, Social & Governance



## 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 30%.
- 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.
- We published our 2023 ESG Report in August which can be found on our website in the investor section

# 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.**
  - **~23,000 acre** feet per year capacity.
  - Currently using only **~7,700 acre** feet annually or about one-third of total capacity.
  - One acre-foot of water = 325,000 gallons of water, or enough to serve more than three homes annually.
  - 15,300 acre-feet untapped x 3 = 45,000 additional homes.
- 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 Subbasin 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.**

# Four Ways We Grow



## Organic Connection Growth

Grow our customer base with 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.

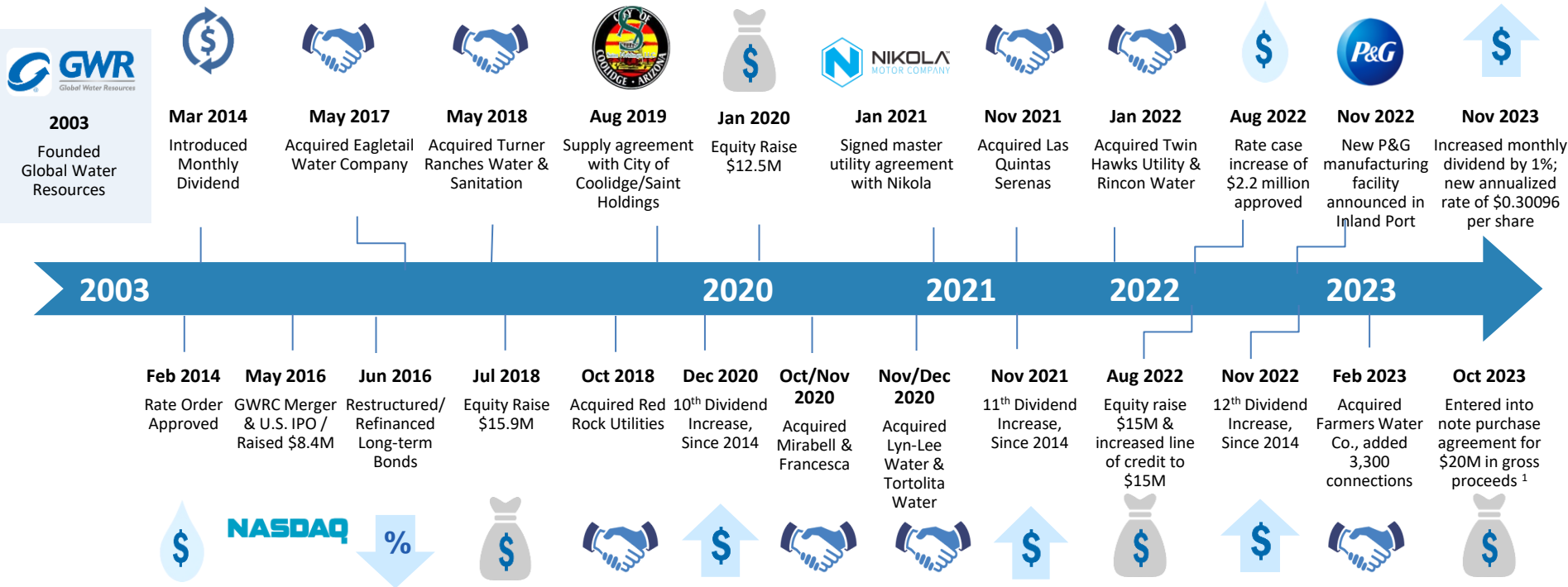


## Utility Rate Increases

Rate increases from rate cases with Arizona Corporation Commission.



# Major Milestones Establish a History of Growth & Success



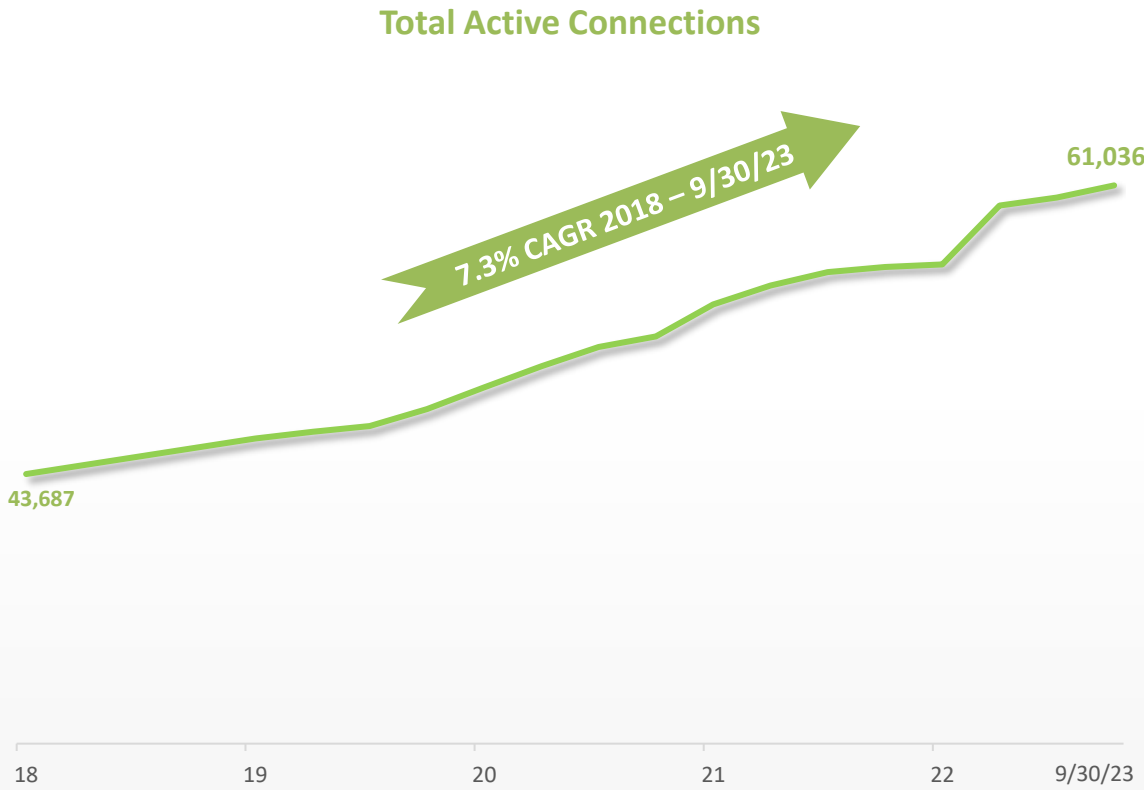
<sup>1</sup>) The company anticipates closing the notes offering on January 3, 2024.

# Strong Active Connection Growth

Organic  
Growth Continues

Up 8.7% y/y  
at September 30, 2023

Additional Growth  
Opportunities through  
Acquisitions &  
New Service Areas



# Maricopa/Pinal County Business Boom



## Aerospace & Defense



GENERAL DYNAMICS



## Data Centers



## Semiconductor

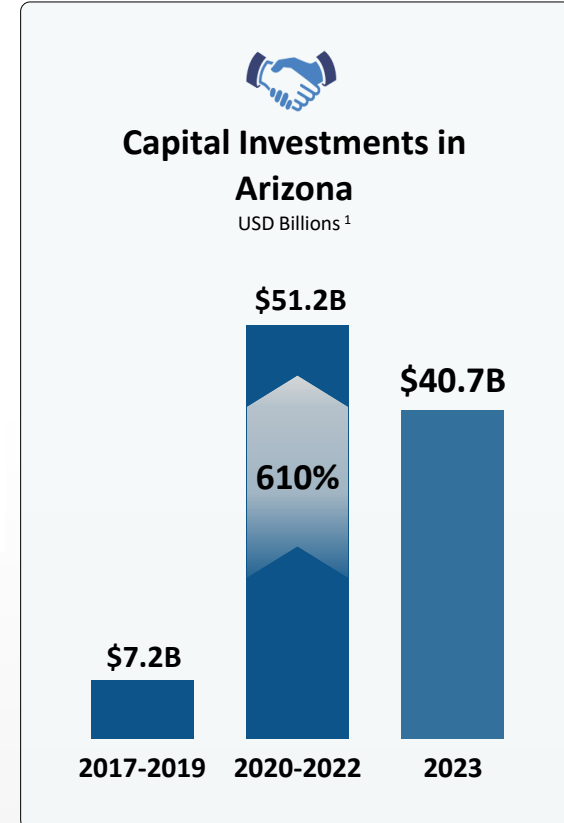


## Automated and EV's



# Arizona's Booming Economy

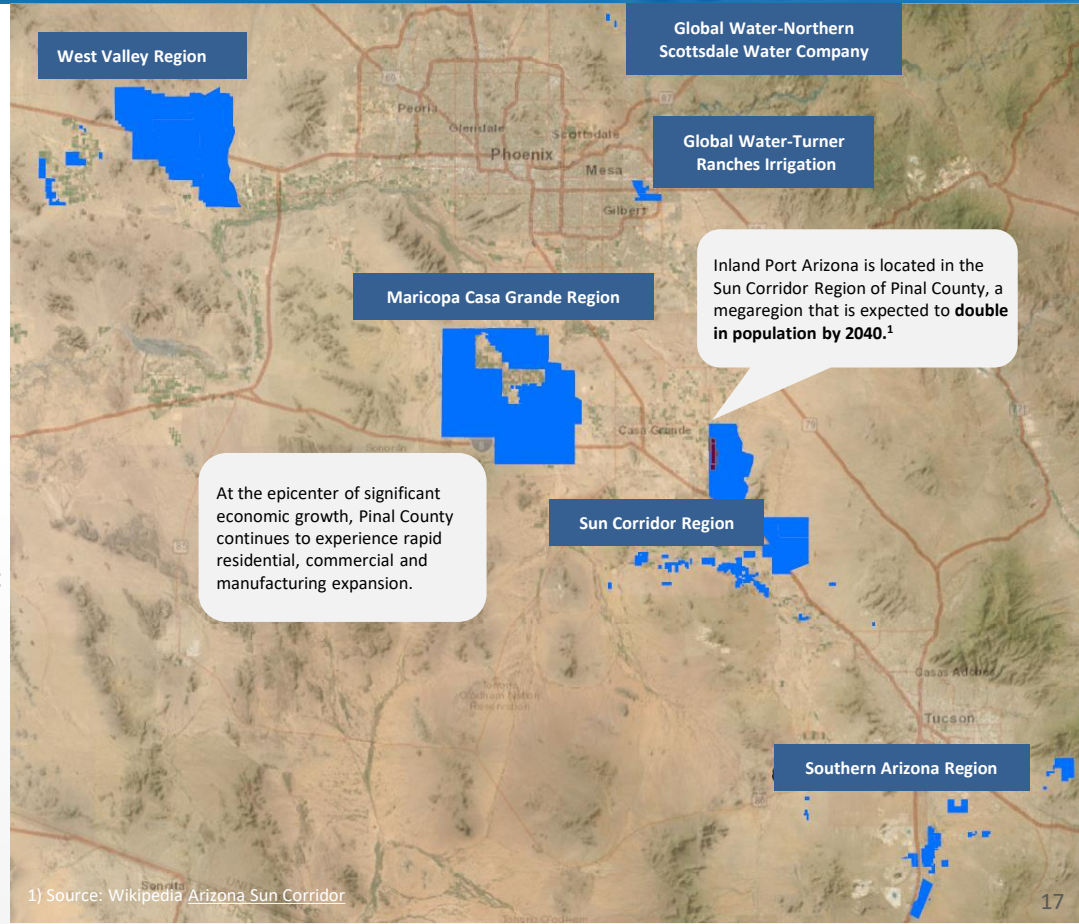
- **\$40.7B** of capital invested in Arizona in 2023. <sup>1</sup>
- **\$51.2B** of capital invested in Arizona for the years 2020 through 2022, up **610%** over the preceding three years. <sup>1</sup>
- Major new manufacturing facility announcements by TSMC, Intel and P&G:
  - Dec. 2022: **TSMC** announced opening a second chip plant in AZ, raising its investment in the state to **\$40B**.
  - Intel and Canada's Brookfield Asset Management have announced a deal to jointly fund Intel fabrication facilities in Chandler, AZ for up to **\$30B**. <sup>2</sup>
  - P&G announced **\$500M** investment for new manufacturing facility at Inland Port.
- ~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. <sup>3</sup>
- Arizona has become a central business hub:
  - Ranked #1 in the U.S. for entrepreneurial activity. <sup>4</sup>
  - State individual income tax at 2.5% - among lowest in U.S. <sup>5</sup>
  - Corporate income tax at 4.9% - among lowest in U.S. <sup>4</sup>





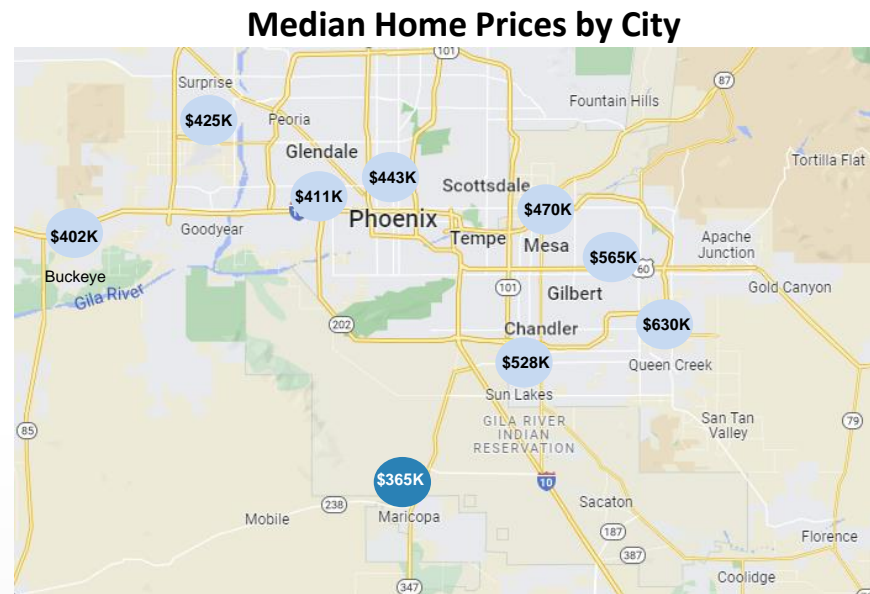
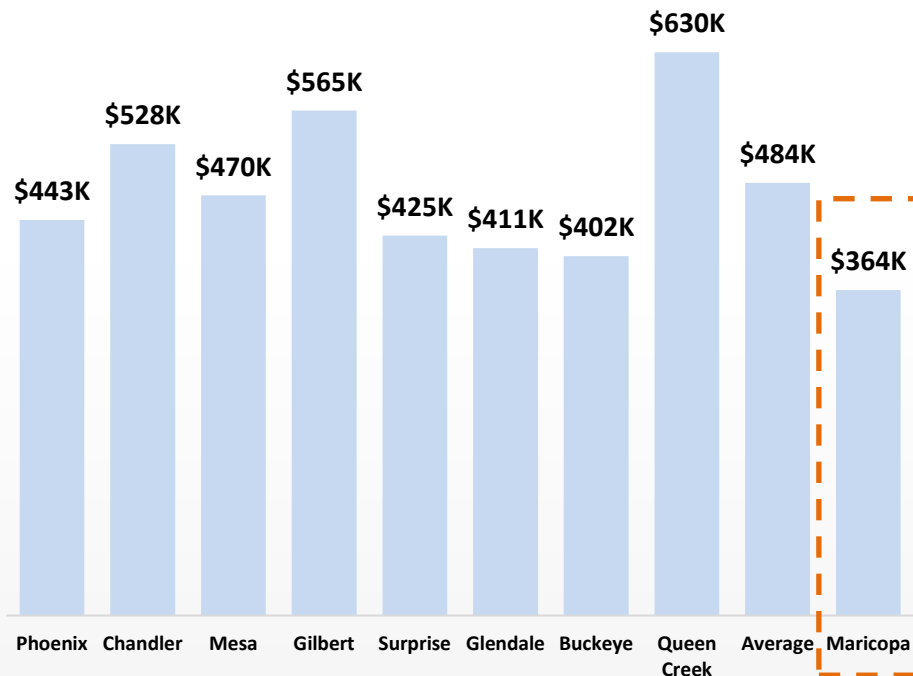
# Service Area Expansion: Global Water to Service 30 sq Mile Planning Area & 2,700 Acre Industrial Mega-Site

- **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.



# Maricopa's Favorable Median Home Prices

Median Home Prices  
as of November 2023<sup>1</sup>



Maricopa's median home price of \$364K is a 25% discount to the average median home price of \$484K.

1. [redfin.com](https://www.redfin.com)

# Global Water Expands Footprint in Arizona

## 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 state<sup>1</sup>

# Farmers Water Co. Acquisition

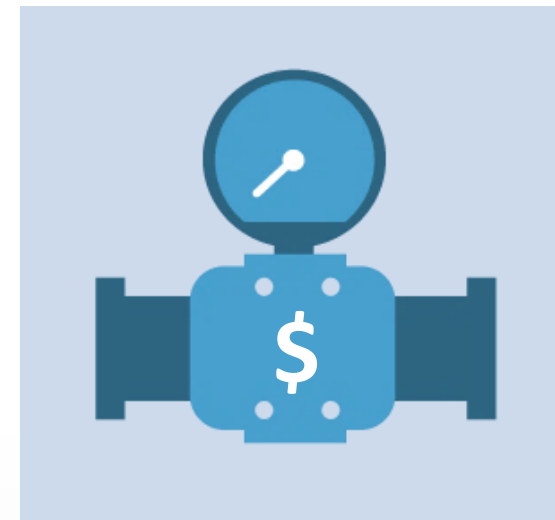
- **February 1, 2023:** Acquired Farmers Water Co., a subsidiary of Farmers Investment Co. located in Pima County.
- Acquisition adds:
  - **~3,300** active water service connections.
  - **~\$1.5 million** in expected future annual revenue.
  - **21.5 sq. miles** of Certificate of Convenience and Necessity service area in Sahuarita.
- **We plan to enhance Farmers Water's cybersecurity and upgrade its water connections** from manually-read meters to smart meters.
- In conjunction, we signed a Memorandum of Understanding to serve an additional future ~50 square miles of Sahuarita's planning area.
- Represents Global Water's **seventh acquisition** in Pima County and second in the Town of Sahuarita.





# Rate Case Finalized in July 2022

- On July 27, 2022, we received approval from the Arizona Corporation Commission (ACC) to establish new rates for 96% of our active service connections at the time of the rate case filing, effective August 1, 2022.
- New rates will be phased-in over ~2 years
  - Expected to result in a collective revenue increase of approximately \$2.2 million on an annualized basis (including the acquisition premiums discussed below), based on 2019 test year service connections.
- ACC also approved the consolidation of rates for several Global Water utilities.
- In addition, the ACC approved acquisition premiums related to our acquisition of our Red Rock and Turner Ranches utilities. This increased the rate base for these utilities and resulted in an increase in the annual revenue requirement.



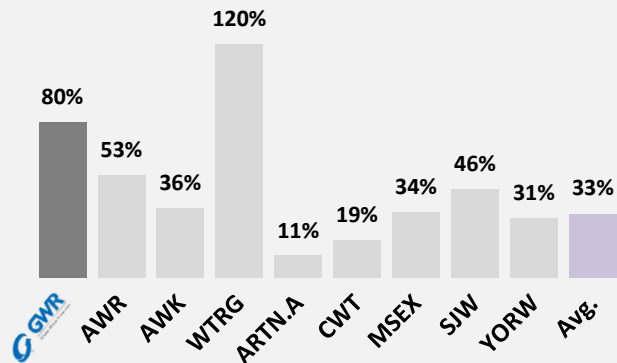
# Global Water Differentiators Provide Unique & Compelling Opportunity

Metric	Metric Driver
Strong Revenue Growth	<ul style="list-style-type: none"><li>• Organic connection growth</li><li>• Utility rate increases</li><li>• Acquisitions</li><li>• New service areas</li></ul>
High EBITDA Margin	<ul style="list-style-type: none"><li>• New regional utilities</li><li>• Advanced, highly automated technology</li><li>• Operationally efficient</li></ul>
Strong Free Cash Flow	<ul style="list-style-type: none"><li>• High EBITDA margins</li><li>• Historically low maintenance CAPEX</li></ul>
Strong Net Income	<ul style="list-style-type: none"><li>• Net income totaled \$7.7M for the twelve months ended September 30, 2023.</li></ul>

# We Compare Favorably to Our Peers Across Key Metrics

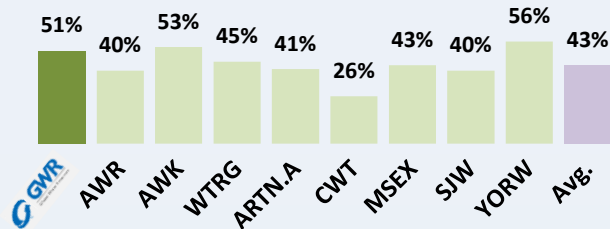
## EBITDA Growth

TTM vs FY 2016



## Adjusted EBITDA Margin

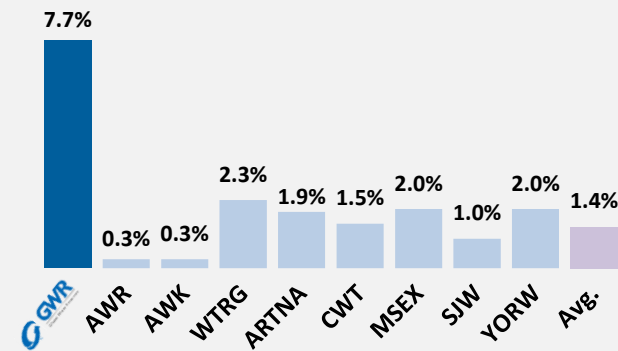
TTM



## Active Connection Growth

5-Year Average

as of 12/31/2022



	Global Water Resources (GWR5)	American States Water Company (AWR)	American Water Works Company (AWK)	Essential Utilities, Inc. (WTRG)	Artesian Resources Corp. (ARTNA)	California Water Service Group (CWT)	Middlesex Water (MSEX)	SJW (SJW)	The York Water Co. (YORW)	Peer Comp. Average <sup>2</sup>
EBITDA Growth <sup>1</sup>	80%	53%	36%	120%	11%	19%	34%	46%	31%	33%
EBITDA Margin <sup>1</sup>	51%	40%	53%	45%	41%	26%	43%	40%	56%	43%
Active Connection Growth 5-Year Avg.	7.7%	0.3%	0.3%	2.3%	1.9%	1.5%	2.0%	1.0%	2.0%	1.4%

### GWR5: Strong EBITDA Margin and EBITDA Growth, and Leading Active Connection Growth vs. Peers

All financial information is based on trailing 12 mo. as of 9/30/2023, unless otherwise noted. Sources: Capital IQ & company estimates. EBITDA Growth is trailing twelve months as of September 30, 2023 as compared to full year 2016. The company's non-GAAP measures, including EBITDA, EBITDA Growth and EBITDA margin, may not be calculated identically by other companies.

1) Adjusted 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.

2) EBITDA growth peer comp average excludes outlier WTRG.

# Financial Highlights

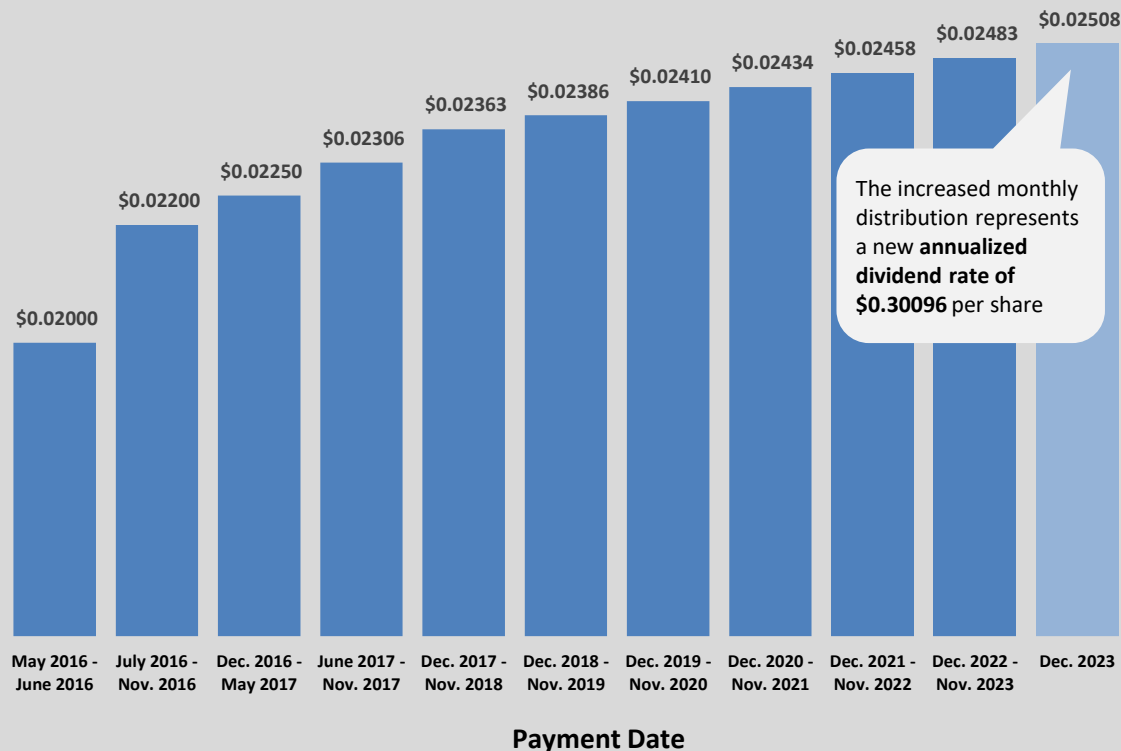
## Q3 2023 Financial Results

- **Total active connections:** up 8.7% y/y to 61,036 at September 30, 2023.
- **Regulated revenues:** up 17.8% to \$14M. <sup>1</sup>
- **Net income:** \$2.6M.
- **Net income margin:** 18.1%.
- **Adjusted EBITDA margin:** 54.6%. <sup>2</sup>
- **>\$40M of Liquidity:** Includes cash & equivalents of \$5.3M at quarter end, \$15M unused credit line and an anticipated \$20M of gross proceeds from an offering of new senior secured notes, which we expect to close in January 2024.

1) Excludes unregulated revenues of approximately \$0.5M in the third quarter of 2023.

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

## Monthly Dividend Growth





# Our Approach to Growth & Value Creation

## Disciplined Growth



- Drive organic revenue growth from new connections and new rates phased in annually
- Accretive acquisitions and service area expansion:
  - Acquired 12 utilities in Maricopa, Pinal and Pima County since 2017.
  - New Service Area in City of Coolidge – 30 square miles with 2,700 acre Industrial Mega-site.
- Rate Case opportunity

## Focused Capital Investment Program



- CAPEX investment in existing utilities focused on increasing revenue, reducing expense & building rate base to provide safe, reliable service
- Increased CAPEX possible due to new service areas and upgrades of acquired utilities

## Strong Dividend Policy

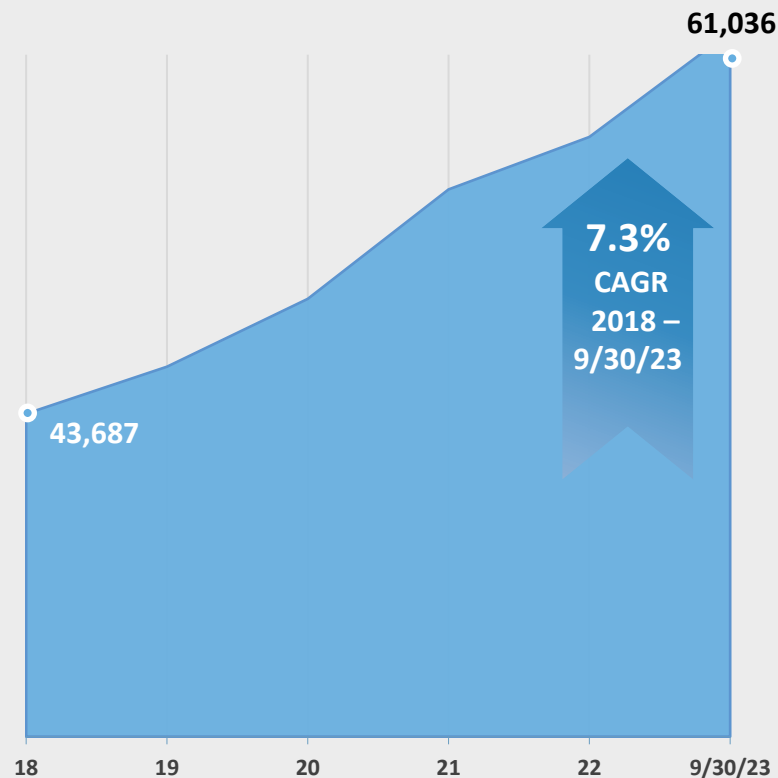


- Committed to paying and evaluating recurring dividend as part of our long-term shareholder value-creation strategy

# Global Water Resources Key Takeaways

- **Pure-play, high growth** water resource management company, focused on conservation.
- **High Connection Growth Rate** – 7.3% CAGR in active service connections from 2018 to September 30, 2023.
- **Acquisitions & new service area** platform
- **Rate Case approval** for \$2.2 million increase.
- **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.**

## Total Active Connections Growth



# Contact Us

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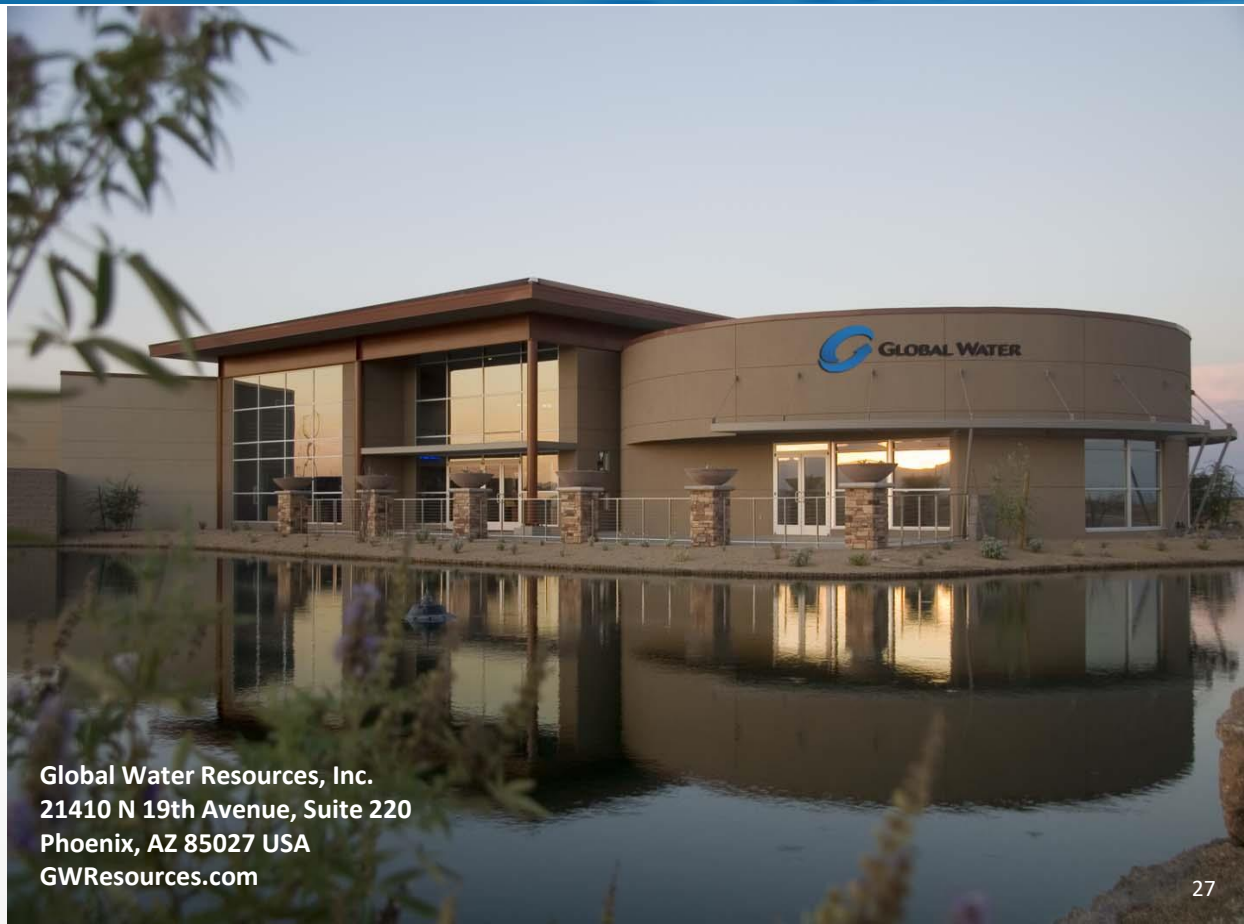
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# Appendix



# Leadership Team



**Ron L. Fleming**  
*President, CEO & Director*

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 Water Utility Association of Arizona, 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.



**Mike Liebman**  
*CFO & SVP*

21+ years of finance and management experience.

9+ years at Global Water raising over \$180 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) and Certified Insolvency and Restructuring Advisor (CIRA).

B.A., Accounting, Northern Arizona University.



**Chris Krygier**  
*Chief Operations Officer*

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

Previously served as director of operations for a water and wastewater utility division of a publicly-traded, multi-national, renewable energy and regulated utility conglomerate.

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

Certified Management Accountant and CFA charter-holder.

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



**Joanne Ellsworth**  
*EVP of Corporate Affairs*

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.

Serves on board of directors of Water Utility Association of Arizona.

# Consolidated Balance Sheets

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

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
Land	\$ 1,480	\$ 1,480
Depreciable property, plant and equipment	408,806	344,043
Construction work-in-progress	46,095	66,039
Other	697	697
Less accumulated depreciation	(139,454)	(124,522)
Net property, plant and equipment	317,624	287,737
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	5,289	6,561
Accounts receivable — net	3,077	2,139
Customer payments in-transit	571	462
Unbilled revenue	3,055	2,557
Taxes, prepaid expenses, and other current assets	2,038	2,439
Total current assets	14,030	14,158
<b>OTHER ASSETS:</b>		
Goodwill	10,923	4,957
Intangible assets — net	8,765	10,139
Regulatory asset	2,984	3,169
Restricted cash	2,376	1,001
Right-of-use asset	1,706	1,891
Other noncurrent assets	44	34
Total other assets	26,798	21,191
<b>TOTAL ASSETS</b>	<b>\$ 358,452</b>	<b>\$ 323,086</b>

	September 30, 2023	December 31, 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 661	\$ 2,173
Accrued expenses	9,578	8,056
Customer and meter deposits	1,742	1,682
Long-term debt — current portion	3,880	3,833
Leases — current portion	523	505
Total current liabilities	16,384	16,249
<b>NONCURRENT LIABILITIES:</b>		
Line of credit	15	—
Long-term debt	103,258	104,945
Long-term lease liabilities	1,374	1,616
Deferred revenue - ICFA	19,656	20,974
Regulatory liability	6,094	6,371
Advances in aid of construction	113,729	93,656
Contributions in aid of construction — net	35,650	26,404
Deferred income tax liabilities, net	8,112	5,949
Acquisition liability	3,080	1,773
Other noncurrent liabilities	2,020	755
Total noncurrent liabilities	292,988	262,443
Total liabilities	309,372	278,692
<b>Commitments and contingencies</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock, \$0.01 par value, 60,000,000 shares authorized; 24,478,252 and 24,095,139 shares issued as of September 30, 2023 and December 31, 2022, respectively.	240	239
Treasury stock, 306,735 and 224,093 shares at September 30, 2023 and December 31, 2022, respectively.	(2)	(2)
Paid in capital	47,321	44,157
Retained earnings	1,521	—
Total shareholders' equity	49,080	44,394
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 358,452</b>	<b>\$ 323,086</b>

# Unaudited Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022	2023	2022
<b>REVENUES:</b>						
Water services	\$ 7,520	\$ 5,824	\$ 18,916	\$ 15,854	\$ 23,947	\$ 20,495
Wastewater and recycled water services	6,494	6,069	18,958	17,770	25,031	23,447
Unregulated revenues	518	—	2,786	5	2,781	(5)
Total revenues	14,532	11,893	40,660	33,629	51,759	43,937
<b>OPERATING EXPENSES:</b>						
Operations and maintenance	3,587	2,775	9,557	8,260	12,186	10,903
General and administrative	3,923	3,923	11,934	11,579	16,485	15,440
Depreciation and amortization	3,185	2,429	8,545	7,199	11,236	9,699
Total operating expenses	10,695	9,127	30,036	27,038	39,907	36,042
OPERATING INCOME	3,837	2,766	10,624	6,591	11,852	7,895
<b>OTHER INCOME (EXPENSE):</b>						
Interest income	—	—	—	—	—	—
Interest expense	(1,260)	(1,093)	(3,709)	(3,355)	(5,113)	(4,599)
Allowance for equity funds used during construction	263	—	778	—	1,501	—
Other - Net	682	625	1,630	2,251	2,036	2,767
Total other expense	(315)	(468)	(1,301)	(1,104)	(1,576)	(1,832)
INCOME BEFORE INCOME TAXES	3,522	2,298	9,323	5,487	10,276	6,063
INCOME TAX EXPENSE	(888)	(612)	(2,484)	(805)	(2,613)	(1,035)
NET INCOME	\$ 2,634	\$ 1,686	\$ 6,839	\$ 4,682	\$ 7,663	\$ 5,028
Net Income Margin	18 %	14 %	17 %	14 %	15 %	11 %
<b>Basic earnings per common share</b>						
Basic earnings per common share	\$ 0.11	\$ 0.07	\$ 0.28	\$ 0.20	\$ 0.32	\$ 0.22
<b>Diluted earnings per common share</b>						
Diluted earnings per common share	\$ 0.11	\$ 0.07	\$ 0.28	\$ 0.20	\$ 0.32	\$ 0.22
<b>Dividends declared per common share</b>						
Dividends declared per common share	\$ 0.07	\$ 0.07	\$ 0.22	\$ 0.22	\$ 0.28	\$ 0.28
<b>Weighted average number of common shares used in the determination of:</b>						
Basic	24,171,228	23,467,035	24,046,493	22,937,265		
Diluted	24,231,801	23,595,459	24,144,384	23,111,881		

# 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 adjusted net income, EBITDA and adjusted EBITDA. EBITDA is defined for the purposes of this press release 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 the board of directors and management; (iii) restricted stock expense related to awards made to executive officers; (iv) disposal of assets; and (v) ICFA revenue recognition. Management believes that EBITDA and adjusted EBITDA 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 is also presented because management believes that it provides our investors a measure 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 and adjusted EBITDA, 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 and adjusted EBITDA 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 and adjusted EBITDA to net income, the most comparable GAAP measure, is included in the schedules on this slide.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net Income</b>	\$ 2,634	\$ 1,686	\$ 6,839	\$ 4,682
Income tax expense	888	612	2,484	805
Interest income	(4)	(21)	(11)	(25)
Interest expense	1,260	1,093	3,709	3,355
Depreciation	3,185	2,429	8,545	7,199
<b>EBITDA</b>	<b>7,963</b>	<b>5,799</b>	<b>21,566</b>	<b>16,016</b>
ICFA revenue	(518)	—	(2,786)	—
Management option expense	20	45	92	135
(Gain) loss on disposal of assets	(18)	2	(83)	(3)
Restricted stock expense	200	295	737	949
Rate case adjustment	—	—	—	276
EBITDA adjustments	(316)	342	(2,040)	1,357
<b>Adjusted EBITDA</b>	<b>\$ 7,647</b>	<b>\$ 6,141</b>	<b>\$ 19,526</b>	<b>\$ 17,373</b>
<i>Adjusted EBITDA Margin</i>	<i>55%</i>	<i>52%</i>	<i>52%</i>	<i>52%</i>

	Twelve Months Ended September 30,	
	2023	2022
<b>Net Income (Loss)</b>	\$ 7,663	\$ 5,028
Income tax expense (benefit)	2,613	1,035
Interest income	(51)	(28)
Interest expense	5,113	4,600
Depreciation and amortization	11,236	9,699
<b>EBITDA</b>	<b>26,574</b>	<b>20,334</b>
<i>EBITDA Margin</i>	<i>51%</i>	<i>47%</i>
ICFA revenue	(2,786)	10
Management option expense	131	181
(Gain) loss on disposal of assets	(77)	(21)
Restricted stock expense	1,131	1,322
Rate case adjustment	38	276
EBITDA adjustments	(1,563)	1,768
<b>Adjusted EBITDA</b>	<b>\$ 25,011</b>	<b>\$ 22,102</b>
<i>Adjusted EBITDA Margin</i>	<i>51%</i>	<i>51%</i>

	Twelve Months Ended December 31,	
	2016	
<b>Net Income (Loss)</b>	\$ (2,852)	
Income tax expense (benefit)	(1,489)	
Interest income	(18)	
Interest expense	11,866	
Depreciation and amortization	6,279	
<b>EBITDA</b>	<b>13,786</b>	
<i>EBITDA Margin</i>	<i>46%</i>	
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	
<b>Adjusted EBITDA</b>	<b>\$ 13,874</b>	
<i>Adjusted EBITDA Margin</i>	<i>46%</i>	