



Pure-Play Regulated Water & Wastewater Utility Company

Forward-Looking Statements



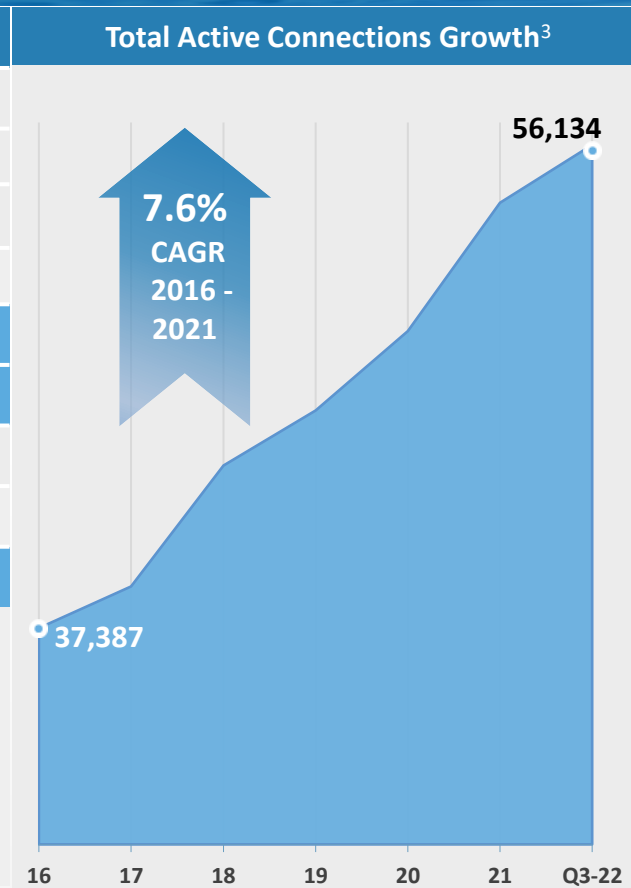
This presentation includes certain forward-looking statements which reflect the company's expectations regarding future events. The forward-looking statements involve a number of assumptions, risks, uncertainties, and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning our strategy; expectations about future business plans, prospective performance, growth, and opportunities; future financial performance; regulatory and ACC proceedings and approvals, such as the anticipated benefits resulting from Rate Decision No. 78644, including our expected collective revenue increase due to new water and wastewater rates; acquisition plans and our ability to complete additional acquisitions, including expected future benefits; our dividend policy; population and growth projections; technologies; trends relating to our industry, market, population growth, and housing permits; liquidity; plans and expectations for capital expenditures; our intended use of the net proceeds from our August 2022 equity 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, including the duration and severity of the COVID-19 pandemic and the actions to contain the virus or treat its impact, such as the efficacy of vaccines (particularly with respect to emerging strains of the virus). 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 Annual Report on Form 10-K for the year ended December 31, 2021, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, and subsequent filings with the SEC. Additional risks and uncertainties include, but are not limited to, whether all conditions precedent in the definitive agreement to acquire Farmers Water Company 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 definitive agreement and the risk that the transaction will not be consummated without undue delay, cost or expense, or at all. 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 2/1/23	\$14.77	Total Revenue <i>ttm</i>	\$43.9M
52 Week Low-High	\$10.61-\$17.35	Net Income <i>ttm</i>	\$5.0M
Avg. Vol. (3-mo.)	27,160	Net Income Margin <i>ttm</i>	11.4%
Shares Outstanding	23.9M	Adj. EBITDA <i>ttm</i> ¹	\$22.1M
Public Free Float <i>est.</i>	46%	Adj. EBITDA Margin <i>ttm</i> ¹	50%
Insider Holdings <i>est.</i>	54%	Liquidity² @ 9/30/22	\$30.6M
Institutional Holdings	31%	Total Assets @ 9/30/22	\$325.2M
Market Cap	\$353M	Total Debt @9/30/22	\$110.7
Enterprise Value	\$448M	Annual Interest Expense	\$4.4M
Founded	2003	Dividend Yield @ 2/1/23	2.0%
U.S. IPO	2016		
Full-time Employees	92		



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) Liquidity includes cash and cash equivalents and \$15 million unused credit revolving facility.

3) As of September 30, 2022.

ttm = Trailing twelve months ended September 30, 2022.

Global Water Resources — Who We Are

- Fast-growing **Water Resource Management** company.
- **Service area primarily in the growth corridors of metropolitan Phoenix, Arizona.**
- **Own & operate 29 systems**, providing water, wastewater and recycled water service.
- Recycle **1 billion+ gallons of water annually.**
- **Active M&A program in highly fragmented state:** acquired **12** utilities over last five years.



Our 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.

Our 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.



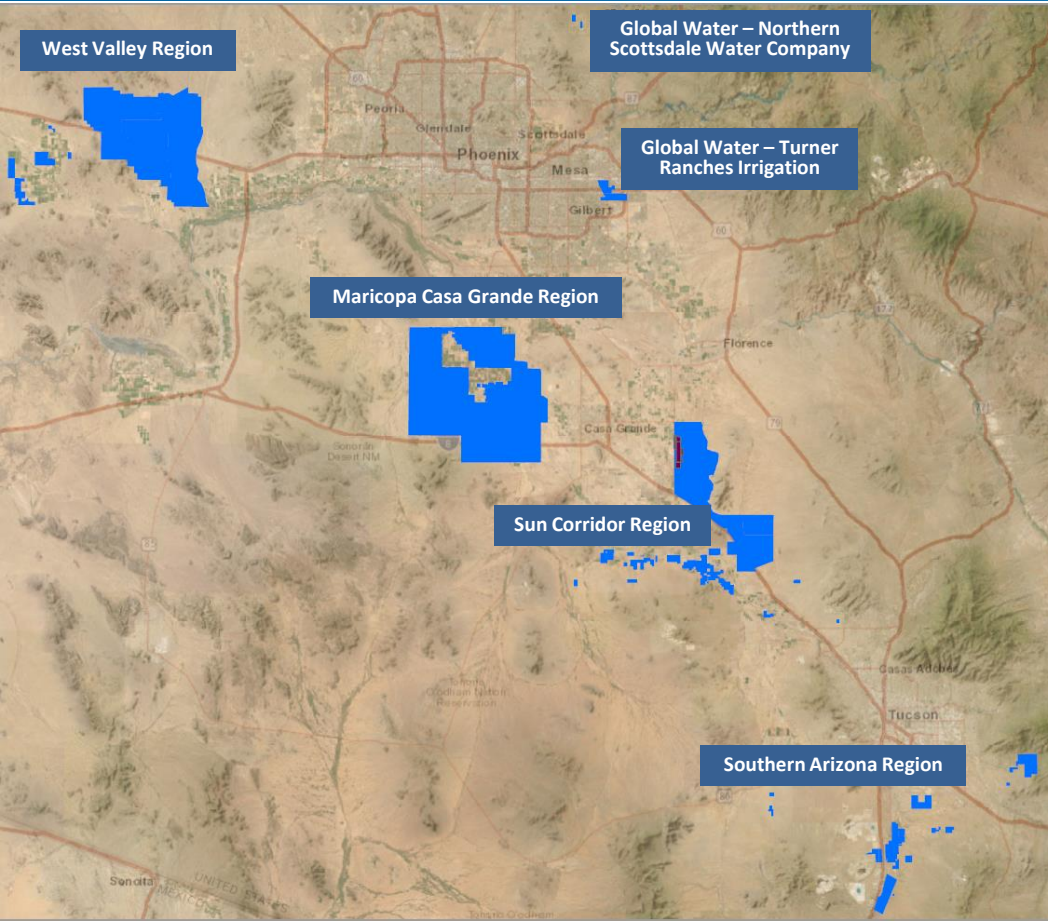
Create an attractive investment opportunity focused on long-term value creation.

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 Counties¹

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.

56,134 Total Active Connections

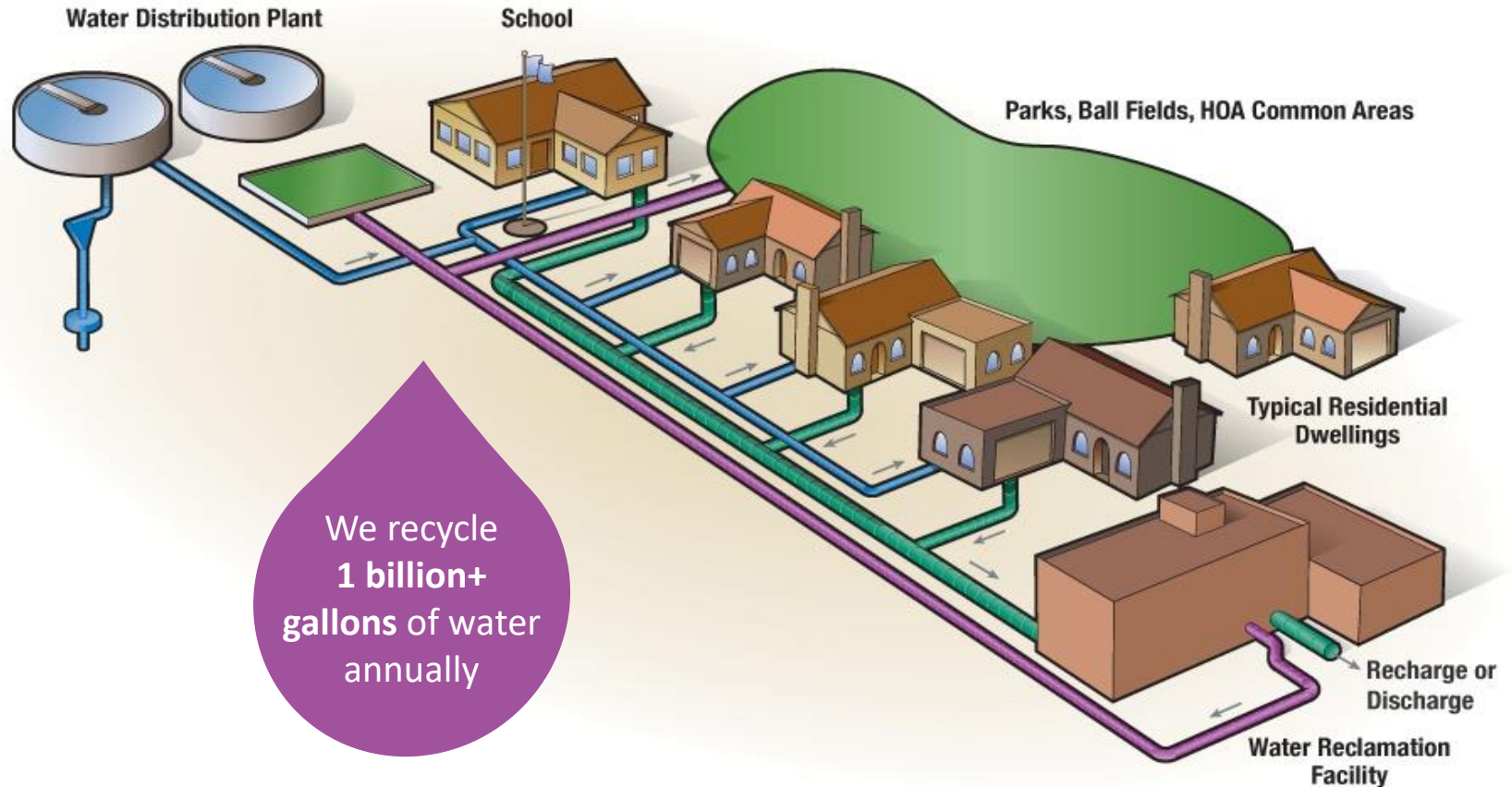
@ Sept. 30, 2022

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



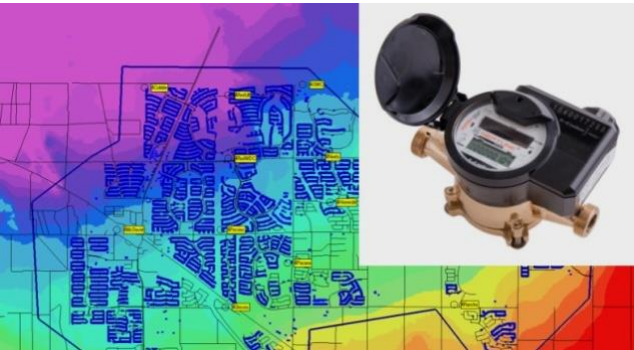
**Advanced
Treatment Systems**



Automated Asset Management



Centralized Call Centers



Remote Meter Reading



Real-time Monitoring



**Sophisticated Team of Engineers,
Analysts & Technicians**



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 0.63 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 and over \$80,000 in 2021.

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.

State of Arizona Water Resources and Company Impact

- Federal government declared 'Tier 2a' shortage on the Colorado River = 21% reduction to Arizona's allocation.¹
- Shortage expected to primarily affect agriculture which uses ~70% of the state's water resources.¹
- Global Water's **primary source of water is underground aquifers and does not rely on the Colorado River.**
- **We have an existing assured water supply** in the City of Maricopa for ~23,000 acre feet per year and are only using ~7,700 acre feet per year.
- Well positioned to grow notwithstanding the water constraints in Arizona.
- Global Water is at forefront of water resource management in the industry and involved with finding long-term water solutions.

1) AZcentral article, August 2021



Major Milestones Establish a History of Growth & Success



2003

Founded Global Water Resources



Mar 2014

Introduced Monthly Dividend



May 2017

Acquired Eagletail Water Company



May 2018

Acquired Turner Ranches Water & Sanitation



Aug 2019

Supply agreement with City of Coolidge/Saint Holdings



Aug 2020

Filed Rate Application



Dec 2020

10th Dividend Increase, Since 2014



Jan 2021

Signed master utility agreement with Nikola



Nov 2021

Acquired Las Quintas Serenas



Jan 2022

Acquired Twin Hawks Utility & Rincon Water



Aug 2022

Rate case increase of \$2.2 million approved



Nov 2022

New P&G manufacturing facility announced in Inland Port

2003

2021

2022

2023

Feb 2014

Rate Order Approved

May 2016

GWRC Merger & U.S. IPO / Raised \$8.4M

Jun 2016

Restructured/Refinanced Long-term Bonds

Jul 2018

Equity Raise \$15.9M

Oct 2018

Acquired Red Rock Utilities

Jan 2020

Equity Raise \$12.5M

Oct/Nov - 2020

Acquired Mirabell & Francesca

Nov/Dec 2020

Acquired Lyn-Lee Water & Tortolita Water

Apr 2021

Extended Revolving Line of Credit to \$10M

Nov 2021

11th Dividend Increase, Since 2014

Aug 2022

Equity raise \$15M & increased line of credit to \$15M

Nov 2022

12th Dividend Increase, Since 2014

Feb 2023

Acquired Farmers Water Co., added 3,300 connections



NASDAQ





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

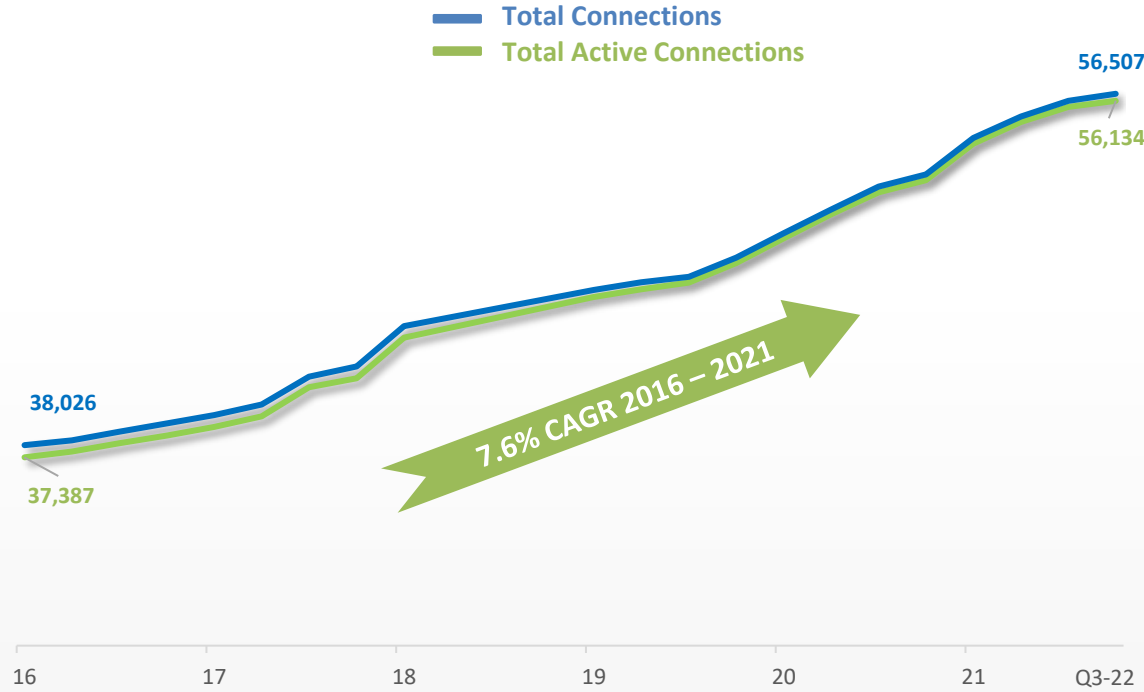
Rate increases from rate cases with Arizona Corporation Commission.

**Organic
Growth Continues**

Up 8.0% y/y
at September 30, 2022

**Additional Growth
Opportunities through
Acquisitions &
New Service Areas**

Total Connections vs. Total Active



Maricopa/Pinal County Business Boom



Aerospace & Defense



- BOEING
- Raytheon Technologies
- Honeywell
- BAE SYSTEMS
- ECUBE
- GENERAL DYNAMICS
- UTC Aerospace Systems

Data Centers



- Microsoft
- Google
- EDGECORE INTERNET REAL ESTATE
- facebook
- Apple
- IRON MOUNTAIN

Semiconductor



- intel
- onsemi
- CCP
- tsmc
- EDWARDS
- NXP
- MICROCHIP
- TEXAS INSTRUMENTS

Automated and EV's



- LUCID
- NIKOLA
- nuRO
- P&G
- LG
- WAYMO
- ATUIS MOTOR VEHICLES
- COX AUTOMOTIVE
- Cirba Solutions
- udelv
- KOHLER
- KOREPOWER

Arizona's Booming Economy

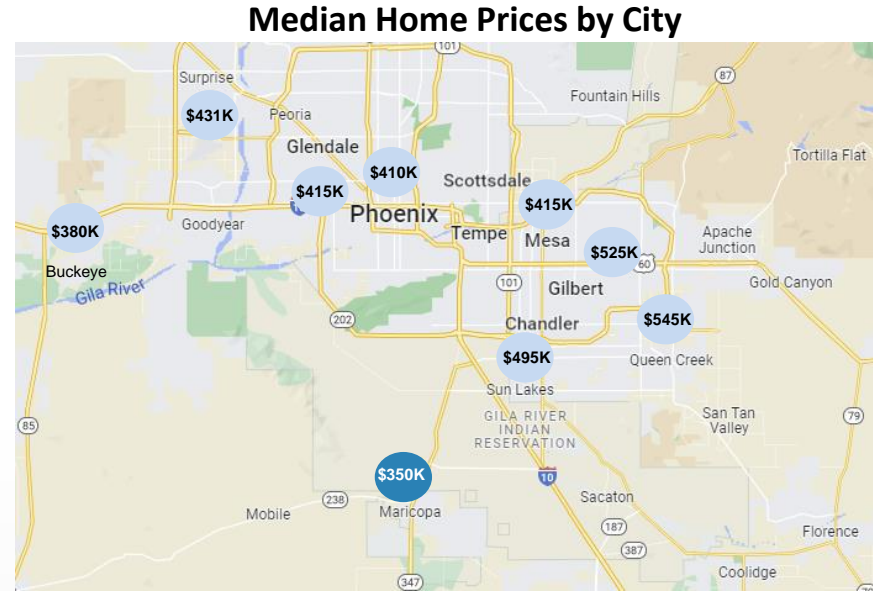
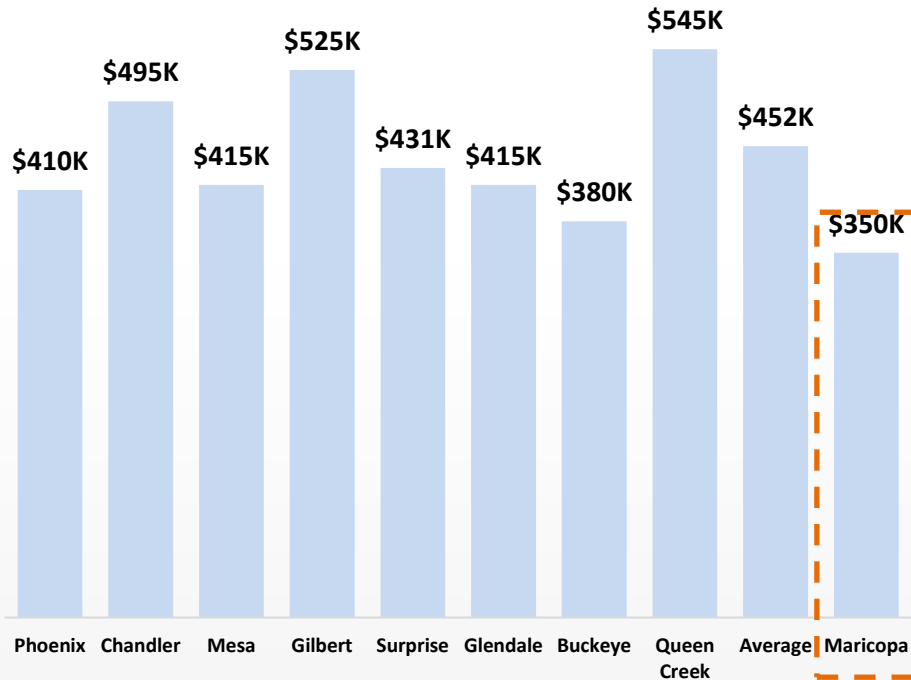
- Since 2011, \$55.6B in capital investments have flowed into Arizona, of which \$24.8B were made in 2021.¹
- In December 2022, **TSMC** announced opening a second chip plant in Arizona, raising its investment in the state to **\$40B**.
- In March 2023, **Intel** announced manufacturing expansion plans for two new fabs in Chandler, Arizona for **\$20B**.
- ~542,000 new jobs to be created in Arizona by 2031, an annualized growth rate of 1.6%, more than three times the U.S. rate.²
- 800 companies relocated or expanded to Arizona past 30 years.³
- Arizona has become a central business hub:
 - Ranked #1 in the U.S. for entrepreneurial activity.¹
 - State income tax at 2.5% - among lowest in U.S.⁴
 - Corporate income tax at 4.9% - among lowest in U.S.



1. [Arizona Commerce Authority](#)
2. [Office of Economic Opportunity Report](#), Dec. 2022
3. [Greater Phoenix Economic Council](#)
4. [Wall Street Journal](#), Mar. 2022. 2022 tax rate is 2.98% in the current year with plans to achieve 2.5% upon the state of Arizona meeting certain revenue requirements.

Maricopa's Favorable Median Home Prices

Median Home Prices as of December 2022¹



Maricopa's median home price of \$350K is a 23% discount to the average median home price of \$452K.

1. www.Redfin.com

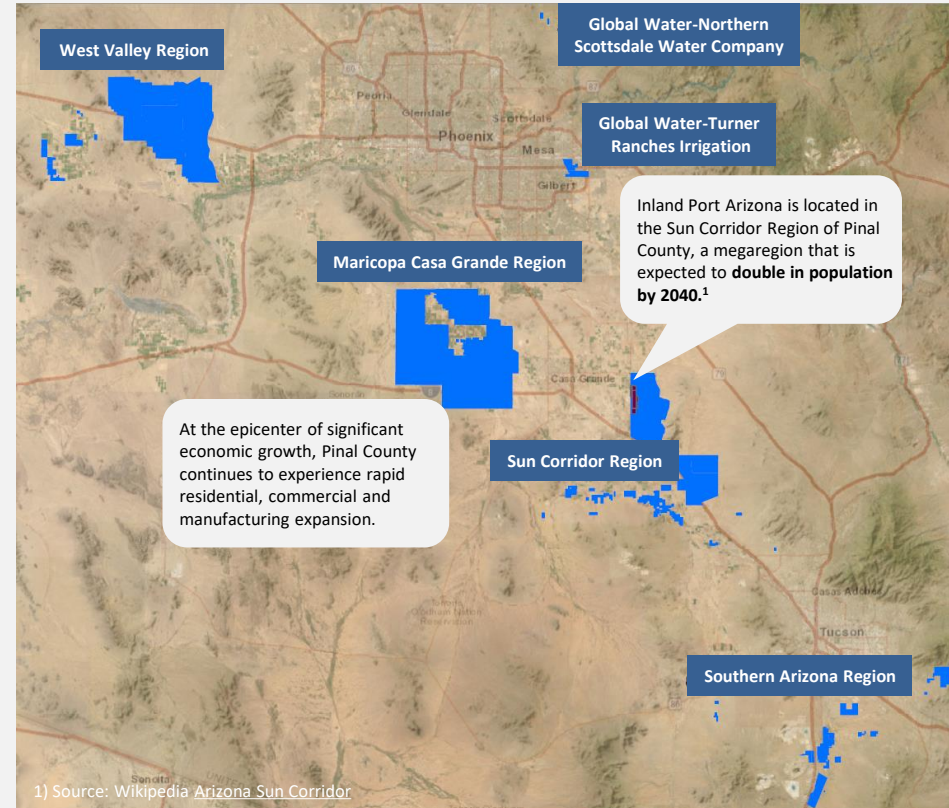
Service Area Expansion: Global Water to Service 30 sq Mile Planning Area & 2,700 Acre Industrial Mega-Site

- **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.

- **Nikola Motor Company Plant**



- Jan. 2021: Entered master utility agreement with this electric truck manufacturer.
- 1 million sf. facility being built on 400-acres within the mega-site.
- Activated water services in Q2 2021.
- Plant expected to attract similar large-scale projects.



P&G New Manufacturing Facility at Inland Port

- **Nov. 2022:** P&G received approval of an economic development agreement to build a **new manufacturing facility** on **427 acres** at **Inland Port** which is part of the 2,700 Acre Industrial Mega-Site in Global Water's approved service area adjacent to Nikola.
- Represents **\$500M** investment by P&G.
- Expected to create **~500 new jobs**.
- Global Water to work directly with P&G to establish **water, wastewater and recycled water services** for the facility.
- Based upon P&G's stated schedule, we expect to:
 - Begin detailed design & permitting in 2023.
 - Provide construction water to P&G as soon as late 2023.
 - Begin servicing the facility by 2025.



P&G new facility to support its fabric care portfolio, including products such as Tide PODS®, Downy Unstopables® and Bounce® Dryer Sheets.



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

- **7,854** connections
- **~51.5** square miles of service area
- **~\$4.8M** in annual revenue (For the year ended Dec. 31, 2021)



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

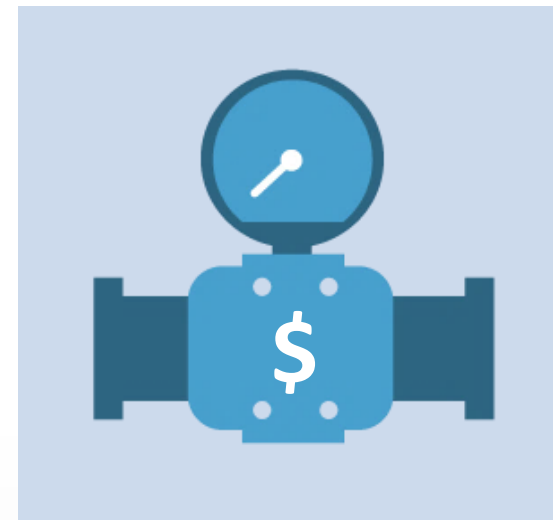
Farmers Water Co. Acquisition

- **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 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’s 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 12, 2022, we received approval from the Arizona Corporation Commission (ACC) to establish new rates for 96% of our active service connections, effective August 1, 2022.
- The new rates will be phased-in over approximately two years and 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.



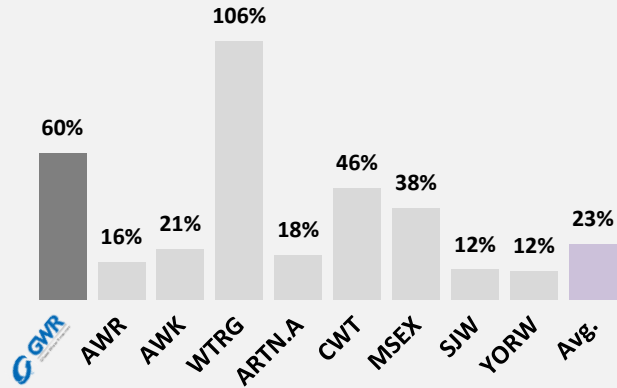
Global Water Differentiators Provide Unique & Compelling Opportunity

Metric	Metric Driver
Strong Revenue Growth	<ul style="list-style-type: none"> • Organic connection growth • Utility rate increases • Acquisitions • New service areas
High EBITDA Margin	<ul style="list-style-type: none"> • New regional utilities • Advanced, highly automated technology • Operationally efficient
Strong Free Cash Flow	<ul style="list-style-type: none"> • High EBITDA margins • Historically low maintenance CAPEX
Strong Adj. EBITDA Growth	<ul style="list-style-type: none"> • Adj. EBITDA increased 21.0% or by \$1.1M in Q3 2022 vs. Q3 2021¹ • Adj. EBITDA growth to be driven by organic connection growth, rate case and acquisitions/new service areas <p><small>1) Net income increased \$0.2M in Q3 2022 vs. Q3 2021. Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and its reconciliation to GAAP net income (loss), see "Reconciliation" slide in Appendix. For the definition of EBITDA and its reconciliation to GAAP net income (loss), see "Reconciliation" slide in Appendix.</small></p>

We Compare Favorably to Our Peers Across Key Metrics

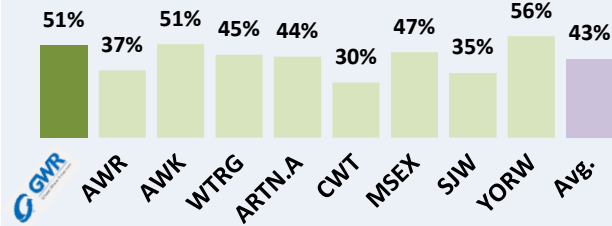
EBITDA Growth

TTM Q3 2022 vs FY 2016



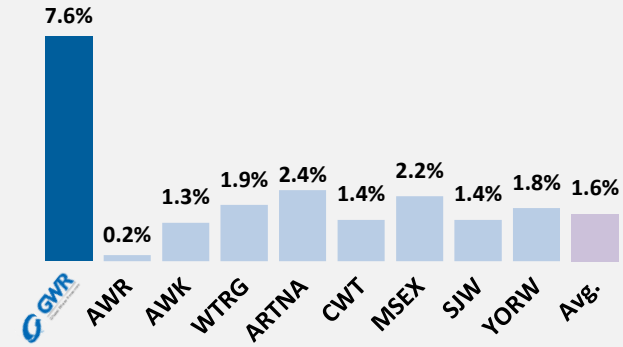
EBITDA Margin

TTM



Active Connection Growth

5-Year Average
as of 12/31/2021



	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
EBITDA Growth ¹	60%	16%	21%	106%	18%	46%	38%	12%	12%	23%
EBITDA Margin ¹	51%	37%	51%	45%	44%	30%	47%	35%	56%	43%
Active Connection Growth 5-Year Avg.	7.6%	0.2%	1.3%	1.9%	2.4%	1.4%	2.2%	1.4%	1.8%	1.6%

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 9/30/2022, unless otherwise noted. Sources: Capital IQ & company estimates. EBITDA Growth is trailing twelve months as of September 30, 2022 as compared to full year 2016.

The company's non-GAAP measures, including Adjusted EBITDA, EBITDA, EBITDA Growth and EBITDA margin, may not be calculated identically by other companies.

1) Net income (loss) grew by \$7.9 million (% growth is not applicable due to net loss of \$2.9 million in 2016 and Adjusted EBITDA grew by 46%) for the trailing twelve months as of September 30, 2022 as compared to full year 2016. Adjusted EBITDA, EBITDA and EBITDA margin are non-GAAP financial measures. For the definition of Adjusted EBITDA, EBITDA and EBITDA margin and their reconciliation to GAAP net income (loss) and GAAP net income (loss) margin, see "Reconciliation" slide in Appendix.

Q3 2022 Results

- **Total active connections:** up 8.0% y/y to 56,134 at September 30, 2022.
- **Regulated revenues:** up 11.0% to \$11.9M.
- **Net income:** increased \$0.2M to \$1.7M.
- **Net income margin:** 14%.
- **Adj. EBITDA margin:** 52%.¹
- **\$30.6M of Liquidity:** Includes cash & equivalents of \$15.6M² in net proceeds from equity raise and \$15M unused revolver.

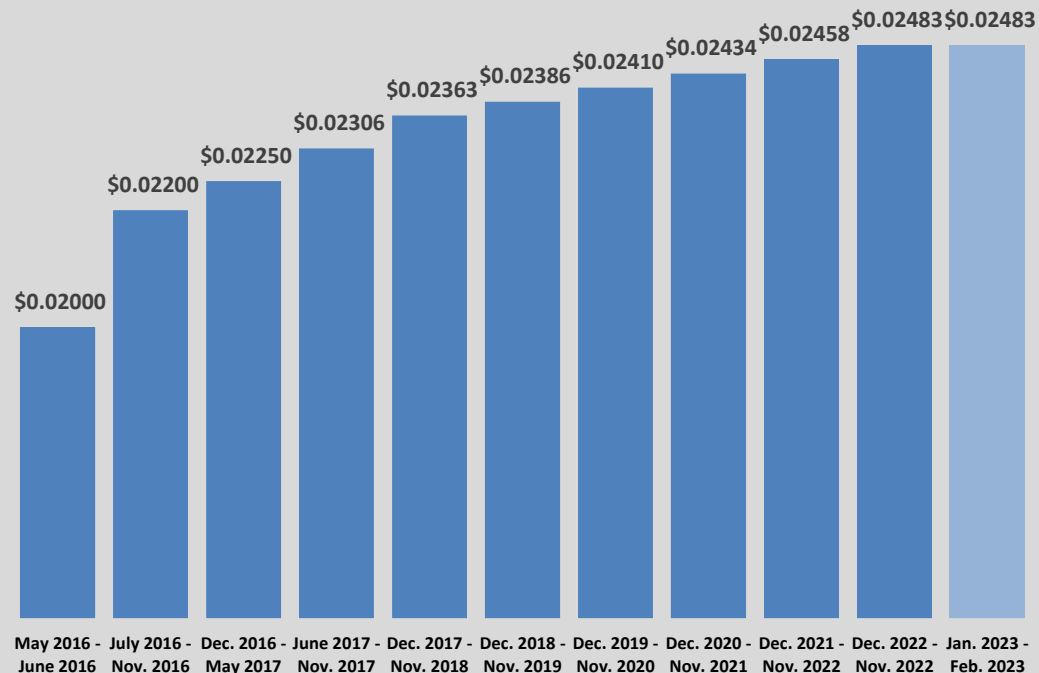
First Nine Months 2022 Results

- **Regulated revenues:** up 8.9% to \$33.6M.
- **Net income:** increased \$1.4M to \$4.7M.
- **Net income margin:** 13.9%
- **Adj. EBITDA margin:** 51.6%.¹

1) 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.

2) As of September 30, 2022.

Dividend Growth



Payment Date

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 over the past five years.
 - New Service Area in City of Coolidge – 30 square miles with 2,700 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

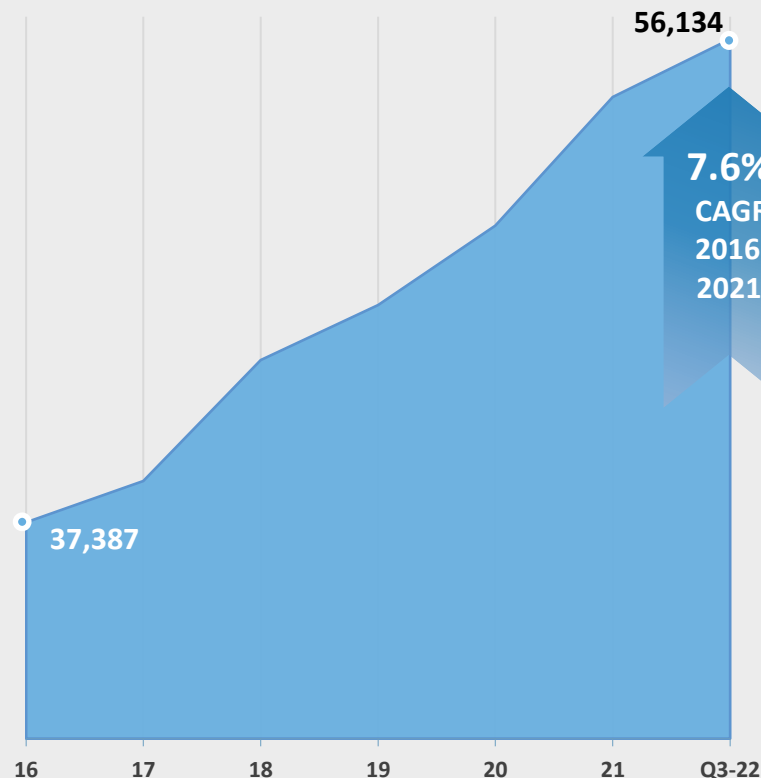
Strong Dividend Policy



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

- **Pure-play, high growth** water resource management company, focused on conservation.
- **High Organic Connection Growth Rate** – 8.0% increase in active service connections at Sept 30, 2022 versus Sept 30, 2021.
- **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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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 at Global Water served as Project Manager, General Manager, Vice President & 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.
- Bachelor's Degree in Construction Management from the 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 joining 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).
- Bachelor's Degree in Accounting from 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. in Economics and MBA in Finance from Arizona State University's 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.
- Director on the board of directors of Water Utility Association of Arizona.

Balance Sheet (Unaudited)

GLOBAL WATER RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands, except share and per share amounts)

	September 30, 2022	December 31, 2021
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Land	\$ 1,480	\$ 1,338
Depreciable property, plant and equipment	331,279	313,700
Construction work-in-progress	69,307	53,511
Other	697	697
Less accumulated depreciation	(122,155)	(113,380)
Net property, plant and equipment	280,608	255,866
CURRENT ASSETS:		
Cash and cash equivalents	15,613	12,637
Accounts receivable — net	2,349	1,994
Customer payments in-transit	439	201
Unbilled revenue	2,767	2,510
Prepaid expenses and other current assets	1,841	1,645
Total current assets	23,009	18,987
OTHER ASSETS:		
Goodwill	5,082	5,730
Intangible assets — net	10,259	10,339
Regulatory asset	3,234	2,336
Restricted cash	975	806
Right-of-use asset	1,986	—
Other noncurrent assets	33	10
Total other assets	21,569	19,221
TOTAL ASSETS	325,186	294,074
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	4,050	2,120
Accrued expenses	9,503	9,191
Customer and meter deposits	1,668	1,646
Long-term debt — current portion	3,833	3,975
Leases — current portion	612	—
Total current liabilities	19,756	16,932
NONCURRENT LIABILITIES:		
Long-term debt	106,851	108,933
Long-term lease liabilities	1,729	—
Deferred revenue - ICFA	20,870	19,035
Regulatory liability	6,460	7,421
Advances in aid of construction	91,745	84,578
Contributions in aid of construction — net	26,354	21,326
Deferred income tax liabilities — net	3,811	3,269
Acquisition liability	1,762	1,773
Other noncurrent liabilities	814	778
Total noncurrent liabilities	260,396	247,113
Total liabilities	280,152	264,045
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value, 60,000,000 shares authorized; 24,094,144 and 22,832,013 shares issued as of September 30, 2022 and December 31, 2021, respectively.	239	228
Treasury stock, 224,100 and 182,445 shares at September 30, 2022 and December 31, 2021, respectively.	(2)	(2)
Paid in capital	44,797	29,803
Retained earnings	—	—
Total shareholders' equity	45,034	30,029
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	325,186	294,074

Consolidated Statement of Operations (Unaudited)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
REVENUES:				
Water services	\$ 5,824	\$ 5,067	\$ 15,854	\$ 14,303
Wastewater and recycled water services	6,069	5,645	17,770	16,564
Unregulated revenues	—	692	5	739
Total revenues	<u>11,893</u>	<u>11,404</u>	<u>33,629</u>	<u>31,606</u>
OPERATING EXPENSES:				
Operations and maintenance	2,775	2,677	8,260	7,656
General and administrative	3,923	4,078	11,579	11,285
Depreciation and amortization	2,429	2,356	7,199	6,990
Total operating expenses	<u>9,127</u>	<u>9,111</u>	<u>27,038</u>	<u>25,931</u>
OPERATING INCOME	<u>2,766</u>	<u>2,293</u>	<u>6,591</u>	<u>5,675</u>
OTHER INCOME (EXPENSE):				
Interest income	21	4	25	17
Interest expense	(1,093)	(1,279)	(3,355)	(3,957)
Other	604	803	2,226	2,447
Total other expense	<u>(468)</u>	<u>(472)</u>	<u>(1,104)</u>	<u>(1,493)</u>
INCOME BEFORE INCOME TAXES	2,298	1,821	5,487	4,182
INCOME TAX BENEFIT (EXPENSE)	<u>(612)</u>	<u>(323)</u>	<u>(805)</u>	<u>(919)</u>
NET INCOME	<u>\$ 1,686</u>	<u>\$ 1,498</u>	<u>\$ 4,682</u>	<u>\$ 3,263</u>
Basic earnings per common share	\$ 0.07	\$ 0.07	\$ 0.20	\$ 0.14
Diluted earnings per common share	\$ 0.07	\$ 0.07	\$ 0.20	\$ 0.14
Dividends declared per common share	\$ 0.07	\$ 0.07	\$ 0.22	\$ 0.22
Weighted average number of common shares used in the determination of:				
Basic	23,467,035	22,634,946	22,937,265	22,614,423
Diluted	23,595,459	22,940,123	23,111,881	22,900,276

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, and Adjusted EBITDA. EBITDA is defined for the purposes of this presentation as net income (loss) 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; and (iv) disposal of assets.

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 (loss), the most comparable GAAP measure, is included in this presentation.

	Three Months Ended September 30,		Change	Change %	Trailing Twelve Months
	2022	2021			Ended September 30, 2022
Total Revenue	11,893	11,404	489	4%	43,937
Net Income Margin	14%	13%	1%	n/m	11%
Net Income (Loss)	1,686	1,498	188	13%	5,208
Income tax expense (benefit)	612	323	289	89%	1,035
Interest income	(21)	(4)	(17)	421%	(28)
Interest expense	1,093	1,279	(186)	(15)%	4,600
Depreciation and amortization	2,429	2,356	73	3%	9,699
EBITDA	5,799	5,452	347	6%	20,334
<i>EBITDA Margin</i>	49%	48%	1%	n/m	46%
ICFA revenue recognition	-	-	-	n/m	10
Fathom settlement	-	(69)	69	(100)%	-
Cell tower sale	-	-	-	n/m	-
Management option expense	45	52	(7)	(13)%	181
Gain (loss) on disposal of assets	2	-	2	n/m	(21)
Restricted stock expense	295	333	(38)	(11)%	1,322
Rate Case Adjustment	-	-	-	n/m	276
EBITDA adjustments	342	316	26	8%	1,768
Adjusted EBITDA	6,141	5,768	373	6%	22,103
<i>Adjusted EBITDA Margin</i>	52%	51%	1%	n/m	50%

Reconciliation of GAAP to Non-GAAP Financial Measures

	Trailing Twelve Months Ended September 30, 2022	For the Year Ended December 31, 2016	Change	Change %
Total Revenue	43,937	29,799	14,138	47%
Net Income Margin	11%	(10)%	21%	n/m
Net Income (Loss)	5,028	(2,852)	7,880	(220)%
Income tax expense (benefit)	1,035	(1,489)	2,524	(170)%
Interest income	(28)	(18)	(10)	53%
Interest expense	4,600	11,866	(7,266)	(61)%
Depreciation and amortization	9,699	6,279	3,420	54%
EBITDA	20,334	13,786	6,548	48%
<i>EBITDA Margin</i>	46%	46%	0%	n/m
ICFA revenue recognition	10	-	10	n/m
Fathom settlement	-	-	n/m	n/m
Cell tower sale	-	-	n/m	n/m
Management option expense	181	-	181	n/m
Gain (loss) on disposal of assets	(21)	-	(21)	n/m
Restricted stock expense	1,322	-	1322	n/m
Loss on sale of Willow Valley	-	54	(54)	n/m
Board option expense	-	648	(648)	n/m
Gain on sale of Sonoran acquisition liability	-	(954)	954	n/m
Equity investment loss	-	340	(340)	n/m
Rate Case Adjustment	276	-	276	n/m
EBITDA adjustments	1,768	88	1,680	n/m
Adjusted EBITDA	22,103	13,874	8,229	59%
<i>Adjusted EBITDA Margin</i>	50%	47%	1%	n/m