

7 August 2023

Market Announcements Office
Exchange Square
20 Bridge Street
Sydney, NSW 2000

WATERCO ENTERS INTO AN AGREEMENT TO ACQUIRE 100% OF DAVEY WATER PRODUCTS PTY LTD

Waterco Limited ACN 002 070 733 (ASX: WAT) (Company/Waterco) is pleased to announce that it has signed a Share Sale Agreement (SSA) to acquire 100% of the shares in Davey Water Products Pty Ltd (Davey) from GUD Holdings Limited (GUD). GUD is a company listed on the Australian Securities Exchange and is involved in the manufacture and importation, distribution and sale of automotive products, pumps, pool and spa systems, and water pressure systems.

The combination of Davey and Waterco builds a diversified group with a focus on complimentary product strengths – Waterco is a leader in pool systems, filtration and water treatment systems. Davey is the leading manufacturer of residential and commercial pumps in Australia. Growth opportunities include leveraging geographical strengths across growing markets in Europe, USA, Middle East/Africa and Asia. The merged businesses will have a share of global water treatment markets across pool, water transfer and water treatment categories. The merger creates the opportunity for efficiency and capability enhancements.

The purchase price payable to GUD upon completion of the acquisition will be approximately \$64.9 million subject to certain adjustments pursuant to the terms of the SSA. The Company will finance the acquisition through bank loans.

Under the terms of the SSA, completion will take place upon fulfilment of certain conditions precedent that are customary for a transaction of this nature. The acquisition does not require security holders' approval and the parties expect that completion will take place on 1 September 2023. There are no changes in the composition of the Board and management of Waterco as a result of the acquisition.

The acquisition of Davey is expected to add approximately \$120 million per annum to the Company's Sales Revenue.

Information on Davey

Davey is an established brand offering a range of water related services from water transfer, conservation, treatment and filtration including pumps, pool pumps and chlorinators.

For over 88 years, Davey have been designing and manufacturing products that provide perfect pressure, healthy drinking water, offer protection from fire and flood and create clean, relaxing pools and spas. Davey's head office and manufacturing facility are located in Melbourne, Australia. Upon completion of the restructuring of the entities in New Zealand and France, Davey will own 100% of the shares in Davey Water Products NZ Limited (NZBN 9429051152567 and Davey Water Products S.A.S (353 281 041 RCS LYON).

This announcement has been authorised for release by the Board of Directors of Waterco Limited.

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About Waterco Ltd – www.waterco.com.au

Established in 1981 and listed on the ASX in 1989, Waterco (ASX:WAT) manufactures and distributes a diverse range of products for the international swimming pool and water treatment markets. Waterco is also the franchisor of Swimart, Australia and New Zealand's leading network of pool and spa retail outlets, and is also the distributor of Zane Pool Heating solutions via a network of Australian dealerships.

Waterco delivers high quality, innovative products at exceptional value in over 40 countries. This includes a comprehensive range of swimming pool & spa equipment and chemicals as well as domestic and industrial water treatment equipment. The company's head office is in Sydney, Australia with international offices, manufacturing plants and warehouses located in Australia, New Zealand, Malaysia, Indonesia, Singapore, China, US and the UK.