20 July 2020

Amiad Water Systems Ltd.
(“Amiad” or the “Company”)

Related Party Transactions

Amiad (AIM: AFS), a leading global producer of water treatment and filtration solutions, announces that, further to the Company’s circular to shareholders dated 27 February 2020, it has entered into formalised commercial framework agreements (the “Agreements”) in order to renew its longstanding commercial relationship with two entities affiliated to FIMI Opportunity Funds (“FIMI”), being Polyram Plastic Industries Ltd (“Polyram”) and Rivulis Irrigation Ltd (“Rivulis”).

Polyram is the Company’s largest plastic raw materials supplier, with 2019 raw material purchases valued at approximately $2.5m. The Company orders plastic materials from time to time via purchase orders throughout the year as required. Rivulis is a customer of the Company that from time to time acquires the Company’s products for its irrigation activity based on agreed discount rates, with average annual sales of $0.5m.

The Agreements are being entered into in order to formalise the existing arrangements. Each of the Agreements has a three-year term, contain no unusual features and are in line with standard market practice.

In relation to Polyram, the process by which purchases will be made are being formalised, with prices to be agreed in advance between Amiad and Polyram based on prevalent market prices. The agreement does not require Amiad to purchase any minimum quantities from Polyram and Amiad remains free to purchase products from other suppliers.

In relation to Rivulis, the process by which sales and payment terms will be made are being formalised. Sales to Rivulis will be on standard agreed discount rates from the Company’s standard price list, in a manner similar to Amiad’s other customers, but there is no purchase obligation requirement on Rivulis.

As FIMI is a substantial shareholder (as defined in the AIM Rules) of the Company, the Agreements are classified as related party transactions under the AIM Rules. The Board considers, having consulted with the Company’s Nominated Adviser, Stifel Nicolaus Europe Limited, that the terms of the Agreements are fair and reasonable insofar as the Company’s shareholders are concerned.

In accordance with Israeli Companies Law, the Agreements received the approval of the Board of Amiad and the Audit Committee of the Board, respectively.

Enquiries

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About Amiad
Amiad Water Systems (AIM: AFS) is a leading global producer of automatic, self-cleaning water treatment and filtration products and systems. Through its engineering skills and ability to innovate, Amiad provides cost-effective “green” solutions for irrigation and industrial purposes. In these markets, its unique and high-quality products are being integrated into the core of systems for filtration and water treatment, micro irrigation and membrane protection, wastewater and potable water treatment, cooling systems and sea water filtration. Headquartered in Israel, Amiad provides these solutions through ten subsidiaries and a comprehensive network of distributors to customers in more than 80 countries.

FIMI Opportunity Funds, the leading private equity investor in Israel, is a controlling shareholder of Amiad, with an interest in 39.6% of the Company’s outstanding issued share capital.

For additional information or product details, please visit www.amiad.com.