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Water Intelligence PLC
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Water Intelligence plc
("Water Intelligence" or the "Company")
Acquisition of NRW Utilities Limited

The board of Water Intelligence, a leading provider of non-invasive leak detection and remediation solutions, is pleased to announce the acquisition of NRW Utilities Limited ('NRW'), a UK-based water services business for a total consideration of £575,173.

Strategic Rationale for the Acquisition:

As discussed in the Chairman's Statement in the most recent Accounts, the Company's objective is to form a multinational growth company that builds on existing assets and technology expertise in the US, UK, Canada and Australia. The acquisition of NRW, with its current potable and non-potable (drinking and non-drinking) water service business in the UK and with a leadership team that has experience executing municipal work internationally, affords Water Intelligence the opportunity to take a significant step towards its growth objective.

NRW brings several synergies to the growth of Water Intelligence's core American Leak Detection business and reinforces the Company's Anglo-American partnership. First, many US, Australian and Canadian franchise owners currently execute municipal services work as a minor business line. With NRW's experience, its management can supplement ALD's growth trajectory working with franchisees in the US, Australia and Canada. Second, NRW, as a subcontractor, provided Water Intelligence with leak detection services in the UK during 2015 and 2016. With the NRW platform in the UK, Water Intelligence may now expand its leak detection business by tapping its ALD technicians to help drive non-invasive and proprietary leak detection solutions in the UK. Finally, NRW's technology expertise with sewer and wastewater will help build supplementary products for use by ALD.

Information on NRW

Founded in 2014, NRW specialises in providing leak detection and asset survey services, in particular in the waste water area, to water utility customers in the UK and the Republic of Ireland. NRW generated revenues of £672,000 and was breakeven (unaudited management account) for its first fiscal year ended 29 February 2016. Through signing, NRW has continued to progress in building its business.

Terms of the Acquisition

The consideration is comprised of an initial payment of £275,173, which includes the repayment of a vendor loan amounting to £75,173. The initial payment is made at signing and draws on the Group's existing cash reserves. Additional payments amounting to £300,000 are to be made in 2017 and 2018.

Patrick DeSouza, Executive Chairman of Water Intelligence plc commented:

"I am delighted to announce the acquisition of NRW which will give us a strategic platform in the UK with an experienced team and an existing book of business similar to our core American Leak Detection business which also continues to grow. Having worked with the NRW leadership team during 2015 and 2016, we are confident that integration will be smooth."

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