



Water Intelligence plc (AIM: WATR.L)
("Water Intelligence", the "Group" or the "Company")

Results for the year ended 31 December 2017

Water Intelligence, a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water, is pleased to present its full, audited results for the year ended 31 December 2017.

Copies of the Annual Report will be made available to view on the Company's website at www.waterintelligence.co.uk.

Results Highlights

- 2017 total revenue increased 45% to \$17.6 million accelerating from 38% annual revenue growth reported for 2016
- American Leak Detection franchise system-wide sales of approximately \$80m, a significant increase on 2016, and installed base of residential customers reaching approximately 200,000
- Growth, mostly organic, assisted by further development of insurance channel and through 2 franchise reacquisitions (Indianapolis and Northern Virginia), as well as, opening of corporate-owned Washington DC territory
- Business-to-business channels launched: Entered into first formal nationwide insurance agreement in February 2017, second formal agreement signed since period end in January 2018; first national pool partnership entered into in May 2017
- UK-based municipal business strong first full year after acquisition; cross-sales of solutions to ALD franchise business initiated unlocking further growth beyond residential and business-to-business offerings
- National Internet marketing program implemented with leading edge partner for advanced social media and analytics
- All major components of revenue grew strongly
 - Revenues from royalty income from franchisee-executed sales increased 7% to \$5.9 million
 - Revenues from franchise-related activities (including parts and equipment sales, business-to-business sales) increased 111% to \$3.7 million
 - Revenues from U.S. corporate-executed sales increased 41% to \$5.9 million
 - Revenues from international corporate-operated locations increased by 206% to \$2.1 million
- Profits before tax when adjusted for non-core costs increased 22% to \$1.7 million
 - Statutory profit before tax increased 48% to \$1.1 million

- Adjusted EPS increased by 30% to 10.4 cents; (2016: 8 cents)

Post-period Highlights

- Very positive start to 2018 with revenues increasing 40% in first quarter
- Entered into second national insurance agreement
- UK-based municipal business growing; cross-sale to corporate-run ALD location in Sydney
- Formal partnerships entered into with Flo Technologies, Inc. and Tagasauris, Inc. to enhance technology offerings; each partner with proprietary artificial intelligence innovation to contribute to the “Smart Home” of the future
- Raised \$5.75m in equity and a further \$1.75m in credit availability in March 2018; elimination of net debt
- Three further franchise reacquisitions: Kentucky, Bakersfield, California and South Florida

Dr. Patrick DeSouza, Executive Chairman of Water Intelligence, commented: "Our 2017 performance and continued follow-through during Q1 2018 is a jumping-off point for the next stage of building a multinational growth company. All aspects of the business are delivering strong growth and we are achieving a significant increase in overall profitability despite investing to lay the foundations for sustaining future growth. We also have increased our capital base with institutional partners to fuel our trajectory. Not to be missed, we have extended our technology offerings through cutting-edge partnerships. With our existing and growing sales footprint, we can unlock value with both up-sales of new technology products and cross-sales between our ALD and WII operations. We are at the beginning of an exciting journey with our platform and confident that we can make a difference in solving infrastructure problems – residential, commercial and municipal – that cause water loss, our most precious resource."

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