



Water Intelligence plc

Sale of New Franchise in Georgia

Water Intelligence plc (AIM: WATR.L), a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water is pleased to announce the sale of franchise territory covering the middle and southern part of the state of Georgia in the United States.

The purchase price for the territory is \$168,750. The territory represents the previously undeveloped southern half of the South Atlanta franchise that Water Intelligence reacquired in early March this year. The new franchise owner has experience with the American Leak Detection franchise system and is expected to put trucks on the road immediately. Importantly, the new owner also has professional experience with sewer and wastewater operations. He will also be helpful in cross-selling municipal solutions from Water Intelligence International.

Today's sale of a franchise territory optimizes the commercial exploitation of the South Atlanta / Southern Georgia region and accelerates the unlocking of shareholder value. First, today's sale of the South Georgia territory does not cannibalize the sales of the newly launched South Atlanta corporate territory. We still expect the baseline of \$320,000 of 2018 sales for South Atlanta to grow during 2019; now, however, the effective purchase price for the reacquisition has dropped due to the sale of territory. Second, the sale of a new franchise for undeveloped Southern Georgia enables royalty income to supplement South Atlanta corporate revenue and earnings and thus fully exploit the entire geography.

Strategically, the South Atlanta / Southern Georgia transactions can be a model for optimization of franchise territory across the US enabling more sales coverage in support of our national channels and incentivizing ever greater collaboration among corporate and franchise operations towards execution of our growth plan.

Dr. Patrick DeSouza, Executive Chairman, commented: "As previously highlighted, the first quarter was very productive in reinforcing last year's strong revenue and profits trajectory. Today's sale is fully accretive to revenue and earnings. With the recent announcement of the reacquisition of Orlando and now the sale of Georgia territory, we believe that the second quarter will continue along the same exciting path."

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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