



Water Intelligence Plc

Reacquisition of Tucson, Arizona Franchise

Water Intelligence plc, a leading provider of minimally-invasive leak detection and remediation services for residential, commercial and municipal customers, is pleased to announce the reacquisition of its Tucson, Arizona franchise (“Tucson”) within the Group’s American Leak Detection subsidiary (“ALD”). Tucson is a significant reacquisition that enables the Group to leverage an already strong business to add further scale to Water Intelligence, both operationally and financially.

The demographics and economy of Tucson are fast growing and a prime area for accelerated growth for both the Group’s American Leak Detection and Water Intelligence International businesses. Water issues are proliferating throughout the southwest of the United States. With a regional corporate office in Tucson, there is an opportunity also to significantly grow various neighboring franchise locations enhancing royalty income.

The current franchise team will be staying in place to grow the business faster with added working capital from ALD. Moreover, because the current team has experience with sewer and wastewater solutions, Tucson shall be one of the introductory sites in the US for deployment of Water Intelligence International’s proprietary Orca product.

For full year 2018, Tucson generated approximately \$0.78 million of revenue and \$0.15 million of net income. Assets acquired are approximately \$0.1 million as of December 31, 2018. The purchase price is \$0.7 million in cash to be paid over five years with an additional \$0.05 million payable should the territory achieve \$0.21m of net income for 2019. Tucson has shown continued growth during 2019 prior to the reacquisition. The transaction is expected to be immediately accretive to earnings and purchase price payments can be made from current cash.

Executive Chairman, Dr. Patrick DeSouza, commented: “We continue to deliver financially and operationally on our strategic plan which is reaffirmed in our annual report. We appreciate that our acceleration is made possible by the confidence that our current institutional and individual investors on both sides of the Atlantic have shown us by all increasing their commitments during our May investment round. We aim high and we aim to deliver a growth trajectory that differentiates us in the marketplace. Solutions to water infrastructure problems are needed around the world. We have an exciting global opportunity ahead with a market less subject to the volatility of politics.”

Enquiries:

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*The information communicated in this announcement is inside information for the purposes of Article
7 of Regulation 596/2014*