

Water Intelligence Strategic Investment and Partnership

RNS Number : 0212M
Water Intelligence PLC
11 September 2019

Water Intelligence plc

Strategic Investment and Partnership

Water Intelligence plc (AIM: WATR.L) (“Water Intelligence” or “Company”), a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water is pleased to announce a strategic investment in and technology licensing partnership with Entertainment AI Plc (“EAI”) (the “Strategic Relationship”).

The Strategic Relationship announced today enables Water Intelligence to accelerate its commercial strategy with insurance companies and participate in the fast-growing \$13 billion market for “Insuretech” products to minimize water-related claims as underscored in the 2018 Annual Report released in May.

EAI uses proprietary artificial intelligence and machine learning technology to enrich YouTube-length video in order to, among other things, enable consumers to purchase products, such as water monitoring devices, from the video. An example is currently being displayed on the Water Intelligence web site at www.waterintelligence.co.uk. Water Intelligence had previously announced this strategic direction in January 2018 through a technology partnership with EAI’s subsidiary, Tagasauris, and Flo Technologies (now FloMoen), a Los Angeles-based water monitoring product company.

EAI is being formed by the acquisition of the Entertainment AI group of companies, comprising Entertainment AI, Inc, GTChannel, Inc and Tagasauris, Inc, (the “EAI US Companies”) by Blockchain Worldwide plc (“BLOC”), which was announced today. BLOC has also announced a conditional oversubscribed placing and subscription, including the strategic investment from Water Intelligence, to raise gross proceeds of approximately £8.6 million. Subject to, inter alia, BLOC shareholder approval, admission to trading on AIM and completion of the Company’s investment is expected to complete on 30 September 2019. At the time of, or prior to, admission BLOC will be renamed Entertainment AI plc.

The Strategic Relationship will have the following components:

- (i) £415k investment into EAI effective at admission to AIM of EAI;
- (ii) a global, royalty-free license to EAI technology for the field of use of sustainability and home services audiences in respect of water and infrastructure; and
- (iii) rights, including a Board observer and certain information rights, for so long as Water Intelligence holds 2 per cent. or more of EAI’s issued share capital.

Sumitomo Corporation of Japan, a global leader in digital media and an investor in water supply companies around the world, will also be a strategic investor and receive a preferred license. Other investors in the EAI IPO include existing institutional investors in Water Intelligence.

Water Intelligence Chairman Patrick DeSouza is a substantial shareholder and a co-founder of the EAI US Companies and will serve as non-executive Chairman of EAI. Therefore the Strategic Relationship constitutes a related party transaction in accordance with AIM Rule 13. The Group’s independent directors, being Michael Reisman, Laura Hills and David Silverstone, consider,

having consulted with its nominated adviser, WH Ireland Ltd, that the terms of the Strategic Relationship are fair and reasonable insofar as its shareholders are concerned.

In addition, Laura Hills, Vice Chairman of Water Intelligence, and Akiko Mikumo, Senior Independent Director of Entertainment AI, will lead any discussions relating to possible future related party matters between Water Intelligence and EAI, consulting the relevant company's nominated adviser and obtaining approval from the Independent Directors of each company.

Water Intelligence's interim financial report will be issued later this month and further details of the Strategic Relationship will be detailed in the report. The Company continues to perform strongly on its multinational growth plan.

Executive Chairman, Dr. Patrick DeSouza remarked:

"Global market demand for complete solutions to water loss from leakage – both services and products - is strong and only growing. We are well-positioned and continue to deliver on our articulated plan. We believe our strategic partnership with EAI will enable us to scale more rapidly with a complementary e-commerce, go-to-market plan that complements our physical operations across the United States and in the UK, Australia and Canada. Our technology reinvestment to build our brand profile as an innovation company continues to progress and will be enhanced with the introduction of an owned and operated YouTube site for sustainability issues. We are on a mission to transform the water infrastructure services market around the world and seek to lead the *Insuretech* movement."

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