



Water Intelligence plc

Reacquisition of Melbourne, Australia Franchise

Water Intelligence plc (AIM: WATR.L) (“Water Intelligence” or “Group”), 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 reacquisition of its franchise operation in Melbourne, Australia within the Group’s American Leak Detection subsidiary (“ALD”). The Group continues to execute its strategic growth plan and to build scale as an “essential service provider” for water and wastewater infrastructure solutions despite the challenges of Covid-19 affecting the broader marketplace.

Due to strong demand for water conservation – residential, commercial and municipal - and an existing base of corporate and franchise operations to fulfil such demand, Australia is an important geography for the Group’s strategic growth plan. Melbourne is a significant reacquisition because it complements the Group’s other corporate base in Sydney. Between Melbourne and Sydney, the Group can better support growth of its existing franchise locations in the eastern half of Australia. In addition, following the acquisition of Melbourne, the Group intends to expand operations further west to Adelaide and Perth, both of which remain untapped.

The reacquisition is accretive to shareholder value. Despite Covid-19’s impact on Australia, the Group continues to operate in Australia as an “essential service” provider to support water and wastewater infrastructure. Financially, for the trailing twelve months, which includes six months of Covid-impacted results, the Melbourne operation generated AUD\$1.29 million in sales and AUD\$0.27 million in profits. The purchase price for the reacquisition which includes all assets to conduct operations (trucks, equipment etc.) is AUD\$1.77 million. The Group plans to expand the Melbourne business by further leveraging Sydney’s municipal solutions expertise and by gaining the benefits of various operating synergies between the two locations.

Today’s reacquisition continues the Group’s drive to establish regional centers to integrate corporate and franchise operations across its geographies. It follows similar strategic reacquisitions since the start of the second quarter: Minneapolis, Minnesota; San Jose, California; and, most recently, Baltimore, Maryland.

Commenting on the Group’s reacquisition, Executive Chairman, Dr. Patrick DeSouza remarked: “With our growth-focused execution, we continue to distinguish ourselves among companies operating in the Covid-19 marketplace. Each year in our annual report, we recommit ourselves to building a *multinational* growth company. Our opportunity for market capture is global and water infrastructure challenges need to be addressed whether in good times or bad. Melbourne continues

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our effort to drive growth across all our current geographies: US, UK, Canada and Australia. Our second half continues in strong fashion and we are on track with our 2020 plan.”

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

Enquiries:

Water Intelligence plc

Patrick DeSouza, Executive Chairman
Adrian Hargrave, VP Corporate Development

Tel: +1 203 654 5426
+44 (0)7775 701 838

WH Ireland Limited - NOMAD & Broker

Adrian Hadden
James Sinclair-Ford
Matthew Chan

Tel: +44 (0)207 220 1666

Dowgate Capital Ltd – Broker & Advisor

Stephen Norcross

Tel: +44 (0)7920 599 793