



Water Intelligence plc

Reacquisition of Brisbane, 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 an agreement to reacquire its franchise operation in Brisbane, Australia within the Group’s American Leak Detection subsidiary (“ALD”). The transaction is pending certain regulatory requirements that should be satisfied during October.

Brisbane is the third most populous city in Australia. The reacquisition follows July’s reacquisition of the ALD franchise in Melbourne and the previous reacquisition of the ALD franchise in Sydney. As a result, the Group now will have corporate operations in the three most populous cities in Australia. Such critical mass will enable the Group to better support the growth of current and new ALD franchises and corporate operations throughout the eastern half of Australia.

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.

The reacquisition is accretive to shareholder value. Brisbane operations generated approximately AUD\$0.5 million in revenue and AUD\$0.1 million in pre-tax profits for the trailing twelve months which includes a period of slowdown due to Covid. The purchase price is AUD\$550,000. Management will be staying with the Group’s corporate operations. The purchase agreement has incentives for a price adjustment upward if management accelerates revenue and profits over the next twelve months as the marketplace adjusts. 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.

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. Brisbane reinforces our effort to drive growth across all our current geographies: US, UK, Canada and Australia. In particular, given the demand for solutions to water loss and wastewater issues, Australia will be a source of strong growth for the Group. With Sydney, Melbourne and now Brisbane, we have critical mass of profitable corporate operations with which to execute and accelerate our plan across Australia.”

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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