



## **Reacquisition of Melbourne, Florida Franchise**

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 that it has reacquired its Melbourne, Florida franchise (“Melbourne”) within the Group’s American Leak Detection subsidiary (“ALD”).

Strategically, the Melbourne reacquisition will enable ALD to link its current and fast-growing corporate operations of Orlando, to the north, and Miami, to the south, along the eastern part of Florida. Orlando and Melbourne will each generate, for 2020, approximately \$1.2 million in sales with Miami generating above \$2.5 million. Demand is high for ALD water leak detection and repair offerings in this geography because of various factors ranging from the number of pools to level of disposable income to rainy weather. In linking the three operations, ALD expects to achieve even faster growth through fulfilling pent-up demand and creating operating efficiencies from scale.

Financially, the purchase price is fully accretive to shareholder value. The purchase price of \$1.55 million includes all assets to conduct operations including trucks and equipment. The purchase price is based on 2020 pro forma full-year results of approximately \$1.2 million in sales and \$0.3 million in profits. The purchase price is to be paid over three years.

The Melbourne franchisee leadership team will remain in place to run the operation and expand management breadth for ALD as members of the corporate organization. One of the principals previously served as President of the ALD franchise advisory committee. Following this acquisition, the corporate management team and Board will include three past leaders of the franchise System. Such leadership will reinforce strong execution and growth across the American Leak Detection brand.

Today’s reacquisition is yet another milestone to accelerate the growth of the Company in 2021 and beyond and to separate our brand from various companies in the Covid-affected marketplace. As noted in last week’s communication regarding the reacquisition of the New Orleans franchise, 4Q has been marked by strong results both in terms of fueling organic growth through additional insurance channel wins but also through accretive franchise reacquisitions for strategic objectives.

Despite the disruptions of Covid-19, the Group continues to grow strongly at both top-line and bottom-lines. ALD is an “essential service provider” and provides consumers with solutions to water infrastructure issues while they “shelter in place.”

Executive Chairman, Dr. Patrick DeSouza commented: “As indicated last week, we are planning on finishing 2020 in very strong fashion in order to tee-up a very strong 2021. And December is not yet over. We are pleased with today’s reacquisition and an opportunity in 2021 to scale a strategically important and highly profitable geography such as Eastern Florida. Each quarter this year, we have challenged ourselves to exceed the previous quarter in terms of performance despite the challenges presented by Covid-19. We provide valuable solutions for water and wastewater infrastructure and seek to help lead efforts for the Green Economy. We look forward to 2021 with optimism.”

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

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