



## **Water Intelligence plc**

### **Acquisition of UK-based Wat-er-save Services Limited**

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 completion of the acquisition of Wat-er-save Services Limited (“WS”), a UK provider of leak detection, repair and water infrastructure services to UK commercial customers including universities and leisure resorts. WS is based in Dorchester, Dorset. The transaction is operationally strategic and earnings accretive for Water Intelligence shareholders.

The acquisition was led by the Group’s UK-based Water Intelligence International (“WII”). WII is fast growing and providing water and wastewater solutions to UK-based utilities such as Thames Water. Importantly, WII is leading the Group’s efforts to provide residential, commercial and municipal customers with an end-to-end suite of water infrastructure solutions for all size pipes. It already has several years of experience integrating the Group’s residential and commercial offerings in the U.S. and Australia from its core American Leak Detection business with key municipal customers such as Flint, Michigan Water Authority and Sydney Water respectively.

Strategically, today’s acquisition provides the Group with a more substantial sales footprint in the UK. It accelerates the Group’s 2022 growth target in the UK as WII draws on its execution experience to provide a broader suite of solutions to residential, commercial and municipal customers in the UK.

Financially, despite Covid-related restrictions, WS executed approximately £0.95 million of sales and £0.25 million of profit before tax for the year-ended 30 June 2021. WS’s net assets were £0.4 million as at 30 June 2021. The purchase price is £0.7 million on a cash-free, debt-free basis. The transaction has an effective date of 1 July 2021 (the “Effective Date”) with Water Intelligence International integrating operations since then and providing subcontracted leak detection services to customers of WS. Completion last week reconciled all adjustments. During this period, the combined execution shows the ability to unlock operating synergies and, expand sales and improve profit margins from the acquired WS business. From the Effective Date through to Completion, WS already executed approximately £0.3 million in revenue and £0.1 million in profits.

The Group is pleased both with the accretive nature of the transaction and the growth opportunity in the UK with broader market capture expected in 2022.

Commenting on the acquisition, Executive Chairman, Dr. Patrick DeSouza remarked: “We are accelerating our growth plan as demand for water infrastructure services is only increasing all

around the world. We are especially pleased to have the opportunity to grow our UK operation much further by adding a profitable base of new and complementary customers and a strong operating team.”

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

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