



Reacquisition of Fort Worth 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 commence its 2022 growth plan with the reacquisition of its franchise in Fort Worth, Texas (“Acquisition”) within the Group’s American Leak Detection (“ALD”) subsidiary.

The Fort Worth reacquisition is a significant transaction in terms of the size of its current business operations, the territory’s future growth trajectory and ALD’s overall corporate strategy of creating regional hubs to enhance operational scale. The transaction will be earnings accretive for Water Intelligence shareholders.

Key terms of the Acquisition

The purchase price of \$7.7 million in cash will be paid over three years and includes all assets required to conduct operations, including trucks and equipment. The purchase price is based on 2021 pro forma of \$3.6 million in revenue and \$1.2 million in profit before tax. The territory had \$1.1 million in gross assets as of 31 December 2021.

Strategic rationale for the Acquisition

The Fort Worth operation is fast-growing and expected to accelerate further by adding new service locations in north and west Texas during 2022. Moreover, today’s Acquisition reinforces the Group’s strategy of establishing regional corporate hubs in the US that have scale to fuel growth in nearby corporate and franchise locations. Operations in the centrally-located Dallas-Fort Worth metro area can bridge major corporate locations in New Orleans to the southeast and Phoenix/Tucson to the southwest, as well as franchise locations in-between. Due to its location, the plan for the Fort Worth hub is to establish a training center to add a significant number of trained technicians for locations throughout the southern part of the United States. As a result of strong demand for water infrastructure solutions, the Group is experiencing growth in all ALD locations. As noted in the communication regarding December’s reacquisition of its Southern Oregon franchise, ALD has already started a new regional training center in Seattle to meet demand for trained technicians in the northwest part of the United States.

As a result of the transaction, the Group’s management team will also be strengthened with the lead manager of the operation, Leslie Campbell, joining the Group’s management team as Executive Vice President of Operations and Managing Director of the South Region for American

Leak Detection. Leslie has already contributed significantly to ALD Operations in helping lead the Salesforce.com implementation during 2021.

Executive Chairman, Dr. Patrick DeSouza commented: “I am very pleased with today’s reacquisition which launches our 2022 growth plan with confidence. We are gaining a skilled and ambitious operating team and deepening our leadership group. Given strong market demand for our water and waste water solutions, irrespective of Covid-19, we will continue to aim high and deliver results for all stakeholders. We have a great opportunity ahead of us for 2022 to accelerate our already fast pace of growth and establish our leadership across our operating geographies – US, UK, Australia and Canada – with minimally-invasive infrastructure solutions that preserve the world’s most precious resource.”

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

Tel: +1 203 654 5426

RBC Capital Markets – Joint Broker

Jill Li

Elizabeth Evans

Tel: +44 (0)20 7653 4000

WH Ireland Limited - NOMAD & Joint Broker

Adrian Hadden

Ben Good

Tel: +44 (0)20 7220 1666

Dowgate Capital Ltd – Joint Broker

Stephen Norcross

Tel: +44 (0)20 3903 7715