

## **Water Intelligence plc**

### **\$17 Million Expansion of Credit Facilities**

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 accelerate its multi-year growth plan with an expansion of its credit facilities to include an additional \$15 million for further acquisitions of its American Leak Detection franchises (“ALOC”) and a two-year extension of its \$2 million line for working capital (“WC”) (together, “New Facilities”).

The New Facilities grow the Group’s long-standing commercial banking relationship with People’s United Bank (“People’s”). Today’s transaction also launches a broader relationship with People’s new parent M&T Bank Corp – a leading bank in the United States.

#### **Capital Formation**

The \$17 million available from the New Facilities complements the Group’s £12.5 million (approximately \$17 million) raised from an equity placement during Q4 2021. Such capital formation combined with the Group’s organic growth in EBITDA, provides the Group with a strong base of resources from which to accelerate its growth trajectory.

#### **Transaction**

Today’s financing will facilitate continued accretive growth for all shareholders because the ALOC provides \$15 million of non-dilutive capital to reacquire a portion of the approximately \$100 million of profitable gross sales currently being executed by franchisees within the Group’s American Leak Detection subsidiary.

As part of the facility, the Group has entered into a swap arrangement that maintains a fixed interest rate of approximately 5.5% on amounts drawn under the ALOC facility. The amortization term on monthly principal and interest repayment of monies drawn from the ALOC is five years. Separately, the extension of the Group’s working capital credit facility for an additional two years provides the Group financing flexibility to expand its business-to-business channels. The WC will bear interest at a variable interest rate based on 30-day SOFR. The New Facilities are in addition to the Group’s current bank debt, which at 31 December 2021 totalled \$8.5 million. The covenants for the New Facilities remain the same as disclosed on 6 December 2019 and 10 May 2019 for previous bank debt, including with both Dr. Patrick DeSouza and PlainSight Systems, Inc. remaining as guarantors.

Dr. Patrick DeSouza, Executive Chairman of Water Intelligence, commented: “We are pleased to deliver for shareholders an optimal corporate finance plan that blends debt and equity to reinforce accelerated growth at a lower cost of capital. The expansion of our credit facilities and launch of a relationship with M&T Bank, which has substantial additional capabilities, are very exciting. Today’s bank transaction complements Q4’s expansion of our investor base with first-tier institutional funds. We look forward to continuing to deliver strong results despite the volatility that currently characterizes the wider marketplace. For the Group itself, market demand for water infrastructure solutions continues to be strong.”

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

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