



### **Reacquisition of West Covina, California 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 the reacquisition of its franchise in West Covina, California (“Acquisition”) within the Group’s American Leak Detection (“ALD”) subsidiary.

#### **Key terms of the Acquisition**

The purchase price of \$1.5 million in cash at closing includes all assets required to conduct operations, including trucks and equipment. The purchase price is based on the trailing twelve months pro forma of \$1.3 million in revenue and \$0.3 million in profit before tax, as well as total assets of \$0.2 million. The transaction is accretive for the Group’s shareholders.

#### **Strategic rationale for the Acquisition**

West Covina is a suburb located near Los Angeles. The operation is growing and expected to accelerate its trajectory because of anticipated synergies with neighbouring operations. The Acquisition reinforces the Group’s strategy of establishing regional corporate hubs in the US that fuel growth in adjacent corporate and franchise locations. West of the Acquisition territory are several significant franchises stretching from San Diego to Los Angeles. East of the Acquisition territory are existing corporate operations in San Bernardino and Palm Springs. Moreover, West Covina is located close to the Group’s manufacturing partners enabling additional oversight as the Group commercializes products during H2 such as Residential Pulse for sewer diagnostics and IntelliDitch for lining concrete water channels.

Executive Chairman, Dr. Patrick DeSouza commented: “We are pleased with today’s reacquisition. Most importantly, it is an accretive transaction with plenty of scope for additional growth. Moreover, the West Covina operation enables various synergies given its strategic location in Southern California near various franchise and corporate locations, as well as its capability to help deliver on our product strategy given its proximity to our manufacturing partner.”

*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

**WH Ireland Limited - NOMAD & Joint Broker**

Hugh Morgan

James Bavister

Tel: +44 (0)20 7220 1666

**RBC Capital Markets – Joint Broker**

Rupert Walford

Elizabeth Evans

Daniel Saveski

Tel: +44 (0)20 7653 4000

**Dowgate Capital Ltd – Joint Broker**

Stephen Norcross

Tel: +44 (0)20 3903 7715