



Water Intelligence plc

Expansion of Credit Facility

Water Intelligence plc (AIM: WATR.L) (the “Group” or “Water Intelligence”), 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 agreed with M&T Bank to expand its credit facility for acquisitions.

Reinforcement of Growth Strategy

The Group recently provided a Trading Update on 5 December 2023 in which it expressed a favorable outlook for 2024 and beyond. It also highlighted current investments to support organic growth, such as a state of the art training centre in Connecticut to meet market demand for its solutions including anticipated demand from additional national insurance contracts.

The Group also noted that it had a strong balance sheet with cash and cash equivalents of \$17.2m (at 31 October 2023) and a relatively low degree of leverage, enabling it to pursue accretive acquisitions to complement organic growth. The Group’s Net Debt (including all bank debt and deferred consideration) to Statutory EBITDA TTM ratio at the end of October was 0.58. To further enhance its capabilities for a strong 2024, the Group announces today an expansion of its credit facility to make available \$5 million. Even with an additional \$5 million deployed, the Group would still have a conservative position in terms of leverage.

Highlights of Enhanced Credit Facility

- Increase Acquisition Line of Credit by \$5 million (the “Facility”)
- When amounts are drawn from the Facility, the loan amount converts into a 5-year term loan (“Term Loan”)
- Interest rate on the Term Loan is a floating rate that is capped at 8% through the use of a customized financial product; moreover, if market rates decrease during the 5 year period, then Water Intelligence gets the benefit of a reduction of the interest rate for the underlying loan.
- Cost of capital for the facility is kept at the lowest level relative to overall market conditions

Commenting on the Group’s facility, Executive Chairman, Dr. Patrick DeSouza remarked:

“We look forward to a strong 2024 as we have significant available capital to deploy for increasing shareholder value. We appreciate the help of M&T Bank to structure a facility that helps us manage our cost of capital to the lowest level relative to the market.”

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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