Water Intelligence plc

Group Annual Report and Financial Statements for
the Year Ended 31 December 2024

Company number 03923150

Group Annual Report and Financial Statements

for the year ended 31 December 2024

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Company Information

Directors & Advisers

Directors	Patrick DeSouza	Executive Chairman
	Laura Hills	Non-Executive Director
	Bobby Knell	Non-Executive Director
	C. Daniel Ewell	Non-Executive Director
	Phil Meckley	Non-Executive Director
Registered Office	27-28 Eastcastle Street London United Kingdom W1W 8DH	
Company number	Registered in England and Wales number 03923150	
Nominated adviser	Grant Thornton UK LLP 8 Finsbury Circus London EC2M 7ES	
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	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW	
Independent Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
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Overview

As highlighted in last year's Chairman's Statement, we pointed to October's 50th Anniversary celebration of our core business – American Leak Detection (ALD) – as the jumping-off point for our strategic growth plan labelled the *Next 50*. With approximately $175 million in network sales (direct sales and indirect sales from franchisees under the same brand), Water Intelligence has critical mass, diversified multinational operations and a differentiated technology profile around which to scale as a market leader. Between October and Q1 2025, we executed three sets of transactions that put into place the final pieces of our "next level up" business model and kick into gear the *Next 50* plan.

One key feature of our *Next 50* plan is its competitive strategy of *Preventive Maintenance* as opposed to *Restoration* of failing water infrastructure. Put another way, especially given our AI future and the evolution of the smart home, our customers – residential, commercial (especially insurance and property management) and municipal – all seek *recurring proactive* solutions as opposed to *one-off reactive* responses. We have now built a multinational platform company or a "One Stop Shop" driven by technology to lead the Preventive Maintenance revolution for the water sector the way the preventive care concept captured the health care sector a decade ago. As described below, by leveraging our technology-driven platform for the *Next 50*, we have a prime example of what financial analysts are now identifying as "Tech-Enabled Services" or a valuable TES business model because of its scalability.

It is important to note that our corporate development builds upon a strong financial foundation. During our trailing five-year investment cycle (2019-2024) – despite volatility induced by shocks such as Covid and stagflation – we achieved compounded annual growth of +21% in terms of revenue and +20% in terms of adjusted profits before tax. As set forth in the Strategic Report, during 2024 we have focused on increasing operating efficiencies with respect to franchise royalty and corporate stores. Moreover, as discussed below, our leadership team has launched new operating initiatives during Q1 2025 based on a "Dallas Template" and leveraging our TES model to raise our organic revenue trajectory and to further improve profit margins.

Our balance sheet remains strong and under-levered with a ratio of Total Net Debt to EBITDA Adjusted of 1.1 as of 31 December 2024 enabling us to allocate capital to meet expectations of sustained growth. As a post year-end update, our credit capacity remains high. As of 30 April, the Total Net Debt to EBITDA Adjusted ratio is 1.37 for the trailing 12 months with the rise reflecting Q1 acquisitions noted below. To be sure, both ratios are overstated because each includes debt from recent transactions but not the pro forma associated increase in EBITDA. These ratios contain deferred consideration, but not contingent payments based on earn-outs.

We have received very favorable investor and partner feedback on our TES model as we have begun to communicate our *Next 50* plan at the Planet Microcap Investor Conference in Las Vegas in April and in videos that are provided on the Water Intelligence website. Our execution and capital allocation plan for 2025 and 2026 is simply to scale our TES distribution platform with organic growth and accretive acquisitions and partnerships. In terms of free cash flow, we need no significant new technology investments. Very exciting for our team and shareholders as we communicate our robust value proposition. As always, we have appreciated their support as we built out our TES vision of a scalable "One Stop Shop".

Our Multinational TES Platform. Over the last decade, we have invested in various technologies (proprietary acoustic leak detection solutions, proprietary sewer diagnostics devices, Salesforce operating system, SEEEN video commerce) and acquisitions (franchisee and plumbing) with the strategic objective of transforming a leading US technology-inspired water leak detection franchise (ALD) into a technology-driven, multinational distribution platform for water infrastructure solutions that can leverage business to business channels and a network of product partners. We seek to deploy services and products more efficiently than any competition as a "One Stop Shop".

Our TES platform grows cash and acquires recurring customers all along a water value chain through: (i) proprietary and wireless acoustic devices for pinpointing leaks, gathering data and providing follow-on plumbing repair capabilities; (ii) a matrix of proprietary solutions for a full array of customers – residential, commercial, municipal, clean water, non-potable water; (iii) not only an operating footprint across the US with scheduling and delivery of service professionals connected by

Salesforce but also fast growing Water Intelligence International (WII) operations in the UK, Ireland, Canada and Australia for diversification; (iv) regional corporate hubs for managing scale as we execute organically and through acquisition; (v) a critical mass of customers, serving approximately 200,000 households annually in the US, directly and through national business-to-business channels; (vi) data and AI analytics from service visits stored securely in the Salesforce cloud and (vii) continuous secure customer engagement leveraging such data to anticipate and address customer needs via our Salesforce system and SEEEN video moments. For the *Next 50* plan, we will scale this model efficiently to capture a growing share of a global addressable market with hundreds of billions of dollars of needed market spend in the coming decade.

Q4 2024 / 1H 2025 Transactions. As noted above, since last October, we have executed three sets of transactions to bring together the final pieces of the puzzle for our *Next 50* business plan. First, we added an organizational booster shot to lay the operational foundation for the *Next 50*. Coincident with our 50th anniversary celebration last October, we reacquired one of our biggest franchises - Dallas. This transaction is quite strategic. We combined the Dallas franchise operation with our corporate Fort Worth operation not only for scale but also to create the go-forward corporate headquarters for ALD. The Dallas-Fort Worth metroplex is centrally located in the US and is projected to be the largest metroplex in the US by 2030. We named Will Knell, former owner of the Dallas franchise, as CEO of our core ALD business. We are enthusiastic about the leadership team that Will has put in place as we promote from within. As identified below, the team has already launched new partnerships to drive organic revenue and profit growth. We are also excited that various strategic business partners such as insurance companies and even public exchanges, such as Nasdaq, have announced their intent to add significant operations in Dallas.

Second, in February, we announced a strategic partnership with StreamLabs Water, a subsidiary of Chubb, a global insurance company and one of our national channels for service jobs. After much diligence, we believe that StreamLabs has the most effective wireless water monitoring technology in the market. Further, StreamLab's emphasis on quality is important for both the Chubb and Water Intelligence / ALD brands and for ensuring the best customer experience. With this partnership, we can now proactively provide end-to-end solutions to customers throughout their life cycle: from effective monitoring to minimally-invasive leak detection and repair to tier-one after-care for preventive maintenance by leveraging data from the monitoring device and the consultative advice of our trained service professionals. Moreover, based on the data, we can provide follow-on product recommendations of partners using AI and video moments to connect with customers.

Third, we sought to demonstrate that we could continue to execute on our announced capital allocation strategy of acquiring and operationally integrating franchisees and plumbers to add scale *while* executing the broader *Next 50* corporate development of deepening organizational structure and integrating our set of technology offerings. During Q1 2025, we acquired both a strategic regional franchise that would reinforce execution in the southeast of the US and a plumbing company to further deepen our offerings in the northeast of the US. Both would accelerate our Go to Market plan with StreamLabs.

These three sets of transactions: (1) establishing through acquisition a central corporate headquarters with a strong leadership team; (2) launching a strategic "Insurtech" partnership to connect effective, high quality, real-time monitoring of pipes with our leading minimally invasive solutions for detection, repair and aftercare; and (3) executing additional accretive franchise and plumbing acquisitions that continue to put capital to work all thus reinforce our confidence in realizing our the *Next 50* plan.

The *Next 50*: *Technology-Enabled Services* Recently, financial market analysts have begun to communicate the value of an investment category called "Technology-Enabled Services". TES companies are valuable because they deliver products and services faster and more efficiently than traditional methods by leveraging software and human expertise. TES companies have certain characteristics: technology integration, automation for efficiencies, scalability, cost-effectiveness, improved quality and accuracy and data-driven insights.

The Water Intelligence platform embodies these characteristics for transforming a sleepy water infrastructure industry. Most importantly, because ALD pioneered the use of minimally invasive technologies for water leaks, a TES business model is more of an evolution as opposed to a radical break with respect to the training of our service professionals. Moreover, given our critical mass of 200,000 household visits annually and ALD's reputation in communities for over 50 years, we have data from which to professionally analyze problems at scale and to provide proper diagnostics. Our competitors do not have this built-in advantage. To be sure, over the last few years, we have invested significant sums for additional training for our professionals with data-centric technologies such as Salesforce and SEEEN. And we have invested in new proprietary wireless technologies such as *Leakvue 2*, *Pulse* and *LS1* that could integrate data capture with our Salesforce and SEEEN technologies. Our team regularly uses Salesforce and integrated analytic web forms to capture and exploit data to help customers and insurance companies, especially through Service Level Agreements and associated delivery targets. We can, better than our competitors, provide solutions more efficiently as a "first responder" and produce more value-add recommendations. As we link video moments with products from partners, we can enhance the customer experience with continuous engagement in outfitting the smart home ahead of problems – *Preventive Maintenance through a TES*. And we can readily extend our TES model to our existing business-to-business partners in insurance and property management given our track record of execution integrating such channels with our operations. Our StreamLabs partnership will extend our data-driven approach to provide end-to-end preventive maintenance from the start of monitoring to aftercare.

In April, as we were integrating our TES platform with StreamLabs, we began to communicate our *Next 50* Plan. We spoke with business and financial partners at Planet Microcap in Las Vegas and were energized by their response. We are now planning for 2H 2025 to have regular update videos posted on our website about our technology leadership for the water infrastructure sector.

2024 Financial Performance; 2025 Operating Initiatives. Against implementing this TES model and executing strategic transactions, as noted above, we continued to deliver operating results. For 2024, Group revenue increased 10% to $83.3 million (2023: $76 million). Statutory profit before tax (PBT) grew 2% to $6.4 million (2023: $6.2 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 11% to $13.1 million (2023: $11.8 million). As a result, statutory basic earnings per share (EPS) grew 6% to 26.9 cents (2023: 25.3 cents) and fully diluted EPS grew 6% to 26.3 cents (2023: 24.7 cents). Group PBT and EBITDA margins remained the same at 8% and 15% respectively, with EBITDA margins slightly improving. As noted below, franchise royalty and U.S. corporate store margins have improved and management will build upon such advances for the Group with the "Dallas Template" discussed in the next section.

EBITDA Adjusted (earnings before interest, taxes, depreciation and amortization adjusted for non-cash and Net Non-core costs/gains) grew by 6% to $14.2 million (2023: $13.4 million). Profit before Tax Adjusted (adjusted for non-cash, Net Non-core costs/gains and amortization) decreased 4% to $8.4 million (2023: $8.7 million). See Table on page 11.

Four KPIs reflect our execution through franchise-operated and corporate-operated locations. Our franchise System sales should be considered against the backdrop that the number of reacquisitions of franchise locations during 2023 and 2024 reduces the pool of franchisee sales. KPI #1 - ALD royalty income – is a proxy for System-wide franchise sales. Franchise royalty declined 3% to $6.5 million (2023: $6.7 million). Had those same locations remained as franchises instead of being converted to corporate stores, royalty income would have grown 1%. Despite the decline in the absolute amount of royalty, we have increased profitability of royalty income through operating efficiencies. KPI #2 - Franchise-related Activity - measures the sale of equipment and additional territory and the development of channel sales such as insurance for franchisees. Franchise-related Activity declined 4% to $10.7 million (2023: $11.2 million).

Our corporate operations grew both in the US and internationally even after one adjusts for franchise reacquisitions. KPI #3 - US Corporate sales - grew 11% to $55.9 million (2023: $50.5 million). If we exclude those acquired locations in 2023 and 2024 and just consider "same store" corporate sales, same store locations grew modestly by 4% to $50.1 million (2023: $48 million). Much like franchise royalty amounts, we have increased profitability through operating efficiencies. KPI #4 - International Corporate sales - grew by 35% to $10.3 million (2023: $7.6 million). International sales are led by our wholly-owned subsidiary Water Intelligence International (WII). WII, though smaller today than ALD in terms of sales, is leading the way in new product development, commercializing our wastewater solutions technology with UK water utilities. Market capture of the demand for wastewater solutions is expected to grow strongly in the US in 2025 and 2026 especially as we commercialize our proprietary *Pulse* technology for the residential market.

2025 Operating Initiatives. As noted above, ALD management has launched four operating initiatives starting in Dallas during Q1 to raise the trajectory of organic revenue and profits and reap the benefits of our TES model. First, underscoring the strategic nature of the Dallas reacquisition, we are using Dallas operations as a template for all other corporate locations (the “Dallas Template”). Dallas was not only one of the fastest growing franchises in the System with approximately $6 million in annual sales, it also maintains strong profit margins typically above 25%; post-acquisition approximately 34% despite Will taking on broader responsibilities as CEO of ALD. As we implement the Dallas Template nationwide, leveraging common data extracted from our Salesforce operating system, we will be able to improve corporate store performance and accelerate the pace of acquisitions and the efficiency of integrations. Second, management has also launched an AI initiative in Dallas called “RevenueMax” with our partner Scorpion Internet Marketing. This AI initiative links to our Salesforce and Video Moments technologies. Early results are quite strong in driving marketing leads and new job conversions. RevenueMax will be rolled out to all locations during 2H as part of the Dallas Template. Third, we have launched our StreamLabs product partnership with sales and installations of StreamLabs devices. During Q1, we have focused on training of staff and ensuring a strong customer experience starting with our new Dallas ALD headquarters and our Connecticut technology and training facility. Dashboards for data analytics and aftercare sales opportunities are currently being implemented as part of our Salesforce operating system. Finally, management has set up a strategic partnership with Holman Corporation to drive operating efficiencies with respect to management of our fleet of service vehicles. Various web-based Holman applications are tied to our Salesforce operating system from fuel card monitoring to geo-tracking of vehicles to “preventive care” maintenance for our own assets. Since service vehicles represent a significant part of operating costs, we expect that this initiative will add to EBITDA margin.

Our balance sheet is strong and supports the above operating initiatives and any reinvestment to sustain our organic growth trajectory and to increase market share. Cash on our balance sheet at year-end was $12.1 million. Coupled with 2024 EBITDA Adjusted of $14.2 million, the Group has significant non-dilutive credit capacity with which to execute its growth plan.

Outlook We appreciate the support of our stakeholders over the years. We have focused on building a multinational growth platform that could transform the delivery of water services through technology and provide world-class solutions for failing water infrastructure. Today we have such a platform that is scalable and a leadership team that is driven to exploit our competitive strategy.

Based on discussions with current shareholders and prospective investors at events such as Planet Microcap, we recognize that our share price is undervalued. Now that we have made the investments to achieve our TES model, we will be communicating more frequently with the market and introducing KPIs that more fully reflect our competitive differentiation and scalability.

We are pleased to launch our *Next 50* plan led by operating initiatives from our Dallas Template. We are confident that by leveraging our Dallas Template and scalability of our TES platform, we can deliver enhanced organic growth and supplement such organic growth with faster integrations from acquisitions.

Dr. Patrick DeSouza
Executive Chairman
30 June 2025

Business Review and Key Performance Indicators

The Chairman's Statement, on pages 3 to 6, provides an overview of the year and an outlook for Water Intelligence plc and its subsidiaries, together referred to as the "Group". The business indicators offered below are meant to capture for the Board not only the state of performance but also the evolution of our business model as a Technology-Enabled Service and a distribution platform with multiple sales channels. As a "One-stop Shop" for our growing base of customers, we offer a matrix of clean water and waste-water solutions for residential, commercial and municipal infrastructure problems. With such offerings, we can both cross-sell services from different business units or up-sell technology products from partners.

The Water Intelligence platform has two wholly-owned subsidiaries: American Leak Detection (ALD) and Water Intelligence International (WII). These business units generated approximately $175 million of gross sales to third-parties during 2024 (both direct sales provided by corporate locations and indirect sales provided by franchisees from which royalty income is derived). The two subsidiaries are distinguished by the degree of franchise-operated and corporate-operated locations and their respective priorities with respect to residential, business-to-business and municipal customers.

ALD, our core business, is largely a franchise business with strategic corporate-operated locations. ALD is a leader in using technology to pinpoint and repair water leaks without destruction. Solutions target both residential and business-to-business customers, such as insurance companies, which value our "minimally invasive" value proposition. During 2024 ALD generated approximately $165 million of gross sales to end-users. That critical mass of gross sales is derived both from direct sales via corporate-operated locations and indirect sales measured by royalty income from franchisees.

WII, our international-based operation, focuses principally on municipal solutions to the worldwide problem of failing water infrastructure. During 2024 WII generated approximately $10.3 million of sales to customers. Like ALD, WII's solutions are also technology-based. WII is exclusively a corporate-run unit that leads the Group's international expansion. WII does have the capability to execute ALD service offerings and is currently doing so at our corporate-operated locations in Australia. WII also cross-sells complementary municipal offerings and residential wastewater solutions to ALD customers in the US. The Group plans to continue to integrate services and operations across all jurisdictions in which it operates including UK, Ireland, Canada.

The Group's business model and growth strategy is evaluated through key performance indicators (KPIs). The KPIs capture both corporate-operated and franchise-operated organic growth from ALD and WII solutions. They also capture acquisition-led growth, especially by selectively converting ALD franchises into corporate-operated locations. Such re-acquisitions of franchisee operations enable some amount of the approximately $100 million in highly profitable franchisee gross sales to end-users, currently recorded as royalty income, to be converted to the Group's direct Statement of Income. In evaluating such acquisition-led growth, it is also important to separate continuing operating costs from non-recurring costs or transaction costs. Finally, we have a KPI that provides guidance as to the availability of capital to execute our growth plan. Because of its ability to generate cash and its monthly recurring royalty income from the franchise business, the Group is able to be efficient in its capital formation by mixing in non-dilutive bank debt. As a result, the Group manages to the right balance in capital formation between debt and equity by monitoring the level of bank borrowings.

Six key performance indicators (KPIs) are used by the Board to monitor the above described business model: (i) growth in ALD franchise royalty income, (ii) growth in ALD franchise-related activities that include both business to business sales and sales of parts and equipment, (iii) growth in ALD corporate-operated locations in the United States, (iv) growth in WII corporate activities located outside the United States, (v) non-core costs and (vi) net borrowings from banks which are subject to financial covenants. These six indicators are reported to the Board and used to assist the Board in the management of the business.

Evaluation of Strategic Plan Drawn From 6 KPIs:

i. Royalty income is a measure of the health of the ALD franchise System which represents the majority of gross sales under the ALD brand. The change in royalty income must be evaluated against the number of franchise reacquisitions in any given year which reduces the pool of available royalty income for the subsequent year.
ii. Franchise-related Activities are a measure of the services and products sold by Corporate to its franchises to fuel growth in the franchise System. ALD's Business-to-Business Channel leverages for customers our national execution presence under one brand and is led by insurance companies.
iii. ALD Corporate-operated locations add to critical mass of Group revenue and profits. Selective reacquisitions from our franchise System further unlock equity value for the Group in two ways. First, reacquisitions set up corporate regional hubs from which corporate may help grow both franchise and corporate units. Second, reacquisitions add growing revenue and profits directly onto the accounts of the Group.
iv. WII complements our ALD brand which is focused largely on residential and commercial customers, by contributing municipal sales to the Group's overall sales presence in the US and international geographies.
v. Non-core costs (transactions costs and non-recurring costs) should be taken into account in evaluating on-going operating performance.
vi. Credit facilities enable the Group to fuel expansion and preserve shareholder equity. Because of the quality of monthly recurring royalty income, the Group is attractive to banks enabling the Group to optimize capital formation.

(i) Franchise Royalty Income.

ALD receives royalty income from franchisees based on a percentage of gross sales to third parties. During 2024 approximately $96 million of such gross sales may be attributed to the franchise System. The Group derived approximately $6.5 million in royalty income from such gross sales. There are currently 74 franchises operating in over 100 locations across 46 states of the US, with additional locations in Australia and Canada. Some franchisees operate multiple locations in their territory. Despite lower royalty income as a result of acquisitions, we have introduced efficiencies to make remaining royalty more profitable.

Part of the Group's growth strategy is to unlock shareholder value by selectively reacquiring franchises and operating the business as a corporate location. By executing such conversions, the Group is trading off a portion of the pool of available royalty income to directly aggregate and grow the underlying revenue and profits from those locations. Royalty income in 2024 remained constant in comparison with 2023. It is important to note that this is attributable to a number of reacquisitions during 2023 which had the effect of reducing the eligible pool of royalty income for 2024. Without such reacquisitions in 2023, royalty income would have grown 1%..

Performance from royalty income is as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000	Change %
Total USA	6,408	6,638	(3)%
International	95	101	(5)%
Total Group Royalty Income	6,503	6,739	(3)%
Profit before tax (see note 4)	2,296	2,156	6%

(ii) Franchise-related Activities.

US franchise-related activities capture what corporate management ("Corporate") does to grow the franchise System.

Parts and equipment sold to franchisees by Corporate enables franchisees to further grow their respective operations.

Business-to-Business channels, such as insurance, capture the market demands of national customers. These customers place significant value on ALD's nationwide brand, service standardization and delivery footprint – an important aspect of competitive strategy when one considers that the market for service providers is fragmented. Jobs for franchisees are sourced by Corporate from insurance companies using a centralized processing system. Important to note is that national channel jobs executed by Corporate locations are not counted in the Group's Business-to-Business sales. Hence the 5% decline of Business-to-Business sales *understates* the contribution of insurance relationships for Network Sales, especially as the number of corporate stores increase.

Finally, Sales of Franchise Units represent the decision to develop a new territory through a franchisee as opposed to corporate operations. It should be noted that the Group's current priority is to add corporate-operated locations as opposed to franchisee-operated locations. Given the rising value of franchise territory because of franchise reacquisitions, demand for additional territory is rising among franchisees. The Group reviews annually its priority on establishing new corporate locations as opposed to selling new franchise territories.

Revenue from franchise-related activities in 2024 declined by 4% compared to 2023. Profits before tax decreased 6% in 2024 compared with 2023. Performance from franchise-related activities are as follows:

	Year ended 31 December 2024 $'000	**Year ended 31 December 2023 $'000**	**Change %**
Parts and equipment sales	593	670	(12)%
Business-to-Business sales	9,959	10,480	(5)%
Sales of Franchise Units	114	13	780%
Total Revenue Franchise Activities	10,666	11,163	(4)%
Profit before tax (see note 4)	870	925	(6)%

(iii) US Corporate Operated Locations (ALD).
Corporate-run locations, both greenfield and initiated after reacquisition of franchise locations, contribute revenue and profits to the Group. In addition, such operations also support the franchise System with strategy, marketing and execution support in further developing territories. Performance of US corporate-run locations after reacquisition is also an indication of the success of the Group's strategy to capture more market demand for our minimally invasive leak detection and repair solutions. The Group directly operates 48 locations, an increase of 4 locations (2023: 44).

As set forth below, ALD Corporate-operated revenue grew 11% to $55.9 million (2023: $50.5 million). Meanwhile profits before tax increased by 19% to $10 million (2023: $8.4 million). Revenue growth was adversely affected by the sharp rise in US interest rates leading to write-offs with respect to the new construction market. $700,000 of non-recurring costs are identified in the table of Non-core Costs below. However, there were additional expense amounts not placed in non-core costs because we do expect the housing market to rebound and we have kept some staff available. That said, we are making operations more profitable through efficiencies such as regional hubs.

Much like the pro forma adjustment for royalty income in KPI #1 based on the number of franchisees reacquired in the prior year, so also we can separate out corporate locations owned prior to January 2023 so that a comparison may be made for "same store sales" as a measure of organic growth post franchise reacquisition. Corporate-operated "same store" revenue grew 4% to $50 million (2023: $48 million) and profit before tax increased 9% to $8.9 million (2023: $8.2 million) as we continue to create more efficient operations.

Performance from corporate-operated locations is as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000	Change %
Revenue	55,855	50,460	11%
Locations owned prior to 1 January 2023	*49,789*	*48,017*	*4%*
Profit before tax (see note 4)	10,006	8,412	19%
Locations owned prior to 1 January 2023	*8,883*	*8,200*	*8%*

(iv) International Corporate Operated Locations

The Group continues to strengthen its multinational presence through its UK-based WII subsidiary. WII focuses largely on municipal solutions while maintaining core residential and commercial offerings. In the UK, WII executes municipal work for all major utilities and residential and commercial projects through its Wat-er-Save subsidiary. In this way, WII has multinational operating scope by managing corporate locations established in Ireland and in Australia and Ontario, Canada after ALD franchisee reacquisitions.

International sales grew 35% during 2024 to $10.3 million. (2023: $7.6 million) and profits decreased by 236% to ($0.6) million (2023: $0.44 million profit). Two factors led to a decrease in reported profits. First, IFRS 3 requires that certain amounts of the contingent consideration be treated as a compensation expense (deemed remuneration) because of the requirement that the seller remains in the business until the earn-out period is completed. This treatment as discussed in note 12 does not change the cash flow position of Water Intelligence. Second, poor execution in Australia led to losses and is expected to be remedied in 2025 as personnel changes have been made.

Performance from international activities is as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000	Change %
UK	4,238	3,952	7%
Ireland	2,328	-	100%
Australia	2,575	2,611	(1)%
Canada	1,127	1,050	7%
Total Revenue from International Corporate Activities	10,268	7,613	35%
(Loss)/Profit before tax (see note 4)	(602)	443	(236)%

(v) Net Non-Core Costs / Gains.

During 2024, the Group incurred non-core costs relating to transactions, non-underlying items, (acquisition consideration accounted for as deemed remuneration in accordance with IRFS 3) and non-recurring expenses. The Group also had non-recurring gains from acquisitions. As discussed herein, understanding “Net Non-Core Costs/Gains”, as distinct from continuing operating costs, helps the Board evaluate capital allocation choices made to accelerate operations organically and to scale through acquisition. In 2024, there were $529,000 of Net Non-core costs/gains (2023: $1,069,000).

Please see table below for details:	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
New construction industry related costs	700	325
Technology upgrades	310	368
Transaction-related legal and other costs	575	376
Gain from reversal of contingent consideration	(700)	-
Gain on bargain purchase	(356)	-
Total Net Non-Core Costs	**529**	**1,069**

(vi) Net Bank Borrowings.

Management of financial resources is important for making various decisions regarding the reinvestment rate for the growth of operations. As noted herein, the monthly recurring income from franchise royalty provides the Group with attractive attributes for using bank debt to complement equity sources of capital. The Group's objective for risk management purposes is to be prudent with respect to bank financial covenants. Net cash after Bank Borrowings is positive and amortisation of such debt extends through 2029.

Group

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Lines of credit: acquisition and working capital	-	-
Bank borrowings	23,272	14,461
	23,272	14,461
Less: Cash and cash investments		
Held in US Dollars	10,621	13,512
Held in £ Sterling	709	1,479
Held in € Euros	248	-
Held in CDN Dollars	478	451
Held in AU Dollars	80	316
	12,136	15,758
Total Net Bank Borrowings/(Cash)	11,136	(1,297)

*Bank debt plus deferred consideration as at December 31, 2024 was $27.9 million (2023 $22.8 million). Net total debt to EBITDA Adjusted in 2024 was 1.1. This figure includes deferred consideration, but not contingent payments based on earn-outs.

(vii) Adjusted PBT and EBITDA

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Profit before tax	6,356	6,239
Non-cash	379	572
Net Non-core costs/gains	529	1,069
Deemed remuneration - Irish acquisition (note 12)	288	-
Amortization	855	842
Profit before tax adjusted	**8,407**	**8,722**
Interest	1,295	944
Depreciation	4,568	3,746
EBITDA adjusted	**14,270**	**13,412**

Principal Risks and Uncertainties

The Group's objectives, policies and processes for measuring and managing risk are described in note 23. The principal risks and uncertainties to which the Group is exposed include:

Foreign Currency Risk

The Group's activities expose it to the financial risk of changes in foreign currency exchange rates as it undertakes certain transactions denominated in foreign currencies. There has been no change to the Group's exposure to market risks. The Group monitors exposure to foreign exchange rate changes on a daily basis by a daily review of the Group's cash balances in the US, UK, Canada and Australia.

Interest Rate Risk

The Group's interest rate risk arises from its working capital and term loan borrowings.

Whilst borrowing issued at variable rates would expose the Group to cash flow risks, as at year-end, the Company is only subject to a variable rate on its working capital line of credit. As of the report date, all other credit facilities in use are at fixed interest rates.

Credit Risk

The Group's credit risk is primarily attributable to its cash and cash equivalents and trade receivables. The credit risk on other classes of financial assets is considered insignificant.

Liquidity Risk

The Group manages its liquidity risk primarily through the monitoring of forecasts and actual cash flows.

Other Risks

There is a risk that existing and new customer relationships and R&D will not lead to sales growth and increased profits. The Group is reliant on a small number of skilled managers. The Group is reliant on effective relationships with its franchisees, especially in the US. Finally, there are continuing risks given the sharp rise in interest rates during 2023 and the existence of persistent inflation. The Group is monitoring risks associated with stagflation or recession for 2024 and 2025.

Corporate Governance statement S172 of the UK's Companies Act

Each director must act in a way that, in good faith, would most likely promote the success of the Group for the benefit of its stakeholders. The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters indicated in S172) in the decisions taken during the year ended 31 December 2024. Following is an overview of how the Board performed its duties during 2024.

Shareholders and Banking Relationships

The Executive Chairman, Chief Financial Officer, members of the Board and senior executives on the management team have regular contact with major shareholders and banking relationships. The Board receives regular updates on the views of shareholders which are taken into account when the Board makes its decisions. During August 2024, the Group refinanced and expanded its credit facilities. The Group received feedback during each process.

Employees

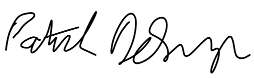
The Board recognizes the importance of skilled human capital for a technology and services-led business. The Board works through its human resources director to provide on-going training and benefits. It also provides advancement opportunities in its various corporate-operated locations. The Group takes a variety of steps to ensure health and safety in terms of its employees and stakeholders.

Franchisees
The Group holds an annual convention for its franchisees which includes education and training sessions. During October 2024, the Group held its annual convention in Los Angeles, California. Franchisees have an Advisory Committee that provides input to the Board with quarterly meetings.

Customers
ALD has a reputation for high quality service delivery across the United States for over fifty years. Given the importance of our reputation with customers, especially insurance companies, the Board pays significant levels of attention to the quality of our service delivery. Management gathers data that it shares with the Board on customer satisfaction.

Community and Environment
The Group's brand stands for the conservation of water and the importance of providing solutions to potable and non-potable water leaks. Through our advertising and marketing the Group seeks to communicate to the public both the importance of sustainability, particularly with respect to water loss through leakage, and the importance for public health of remediating sewer blockages. The Group took an active role not only in providing leak detection services to local government in Flint, Michigan – a community known for its lead in the water crisis – but also in working to educate community members on the importance of on-going water monitoring. During 2023 and 2024, the Group donated to a non-profit group that is providing water and water infrastructure to rural villages in India. The Board has also sought to be active with respect to education and water. During 2019 and 2020, members of the Board have worked with Columbia University to contribute to its "Year of Water" education campaign.

By order of the Board



Patrick DeSouza
Executive Chairman

30 June 2025

The Directors present their report on the affairs of Water Intelligence plc and its subsidiaries, referred to as the Group, together with the audited Financial Statements and Independent Auditors' report for the year ended 31 December 2024.

Principal Activities

The Group is a leading provider of minimally invasive leak detection and remediation services for potable and non-potable water. The Group's strategy is to be a "One-stop Shop" for services and product solutions for residential, commercial and municipal customers.

Results

The financial performance for the year, including the Group's Statement of Comprehensive Income and the Group's financial position at the end of the year, is shown in the Financial Statements on pages 31 to 37.

2024 was marked by sustained multinational growth for both ALD and WII. Total revenue for Water Intelligence grew 10% to $83.3 million (2023: $76 million). ALD revenue grew 7% to $73 million (2023: $68.4 million). WII revenue grew 35% to $10.3 million (2023: $7.6 million). The splits between ALD and WII revenue remained consistent during 2024 when compared with 2023 with WII's percentage of total revenue increasing slightly. ALD's proportion of sales was approximately 87.5% of total revenue (2023: 90%) with approximately 12.5% of total revenue attributable to WII (2023: 10%).

Statutory profit before taxes (PBT) increased by 2% to $6.4 million (2023: $6.2 million). When profit before taxes is adjusted for amortization, non-cash share-based payments and Net Non-core costs/gains, PBTA decreased by 4% to $8.4 million (2023: $8.7 million). Statutory earnings before interest, taxes and depreciation (EBITDA) grew 11% to $13.1 million (2023: $11.8 million). When EBITDA is adjusted for non-cash expenses of share-based payments and Net Non-Core Costs/Gains (see Strategic Report) EBITDA Adjusted increased by 6% to $14.2 million (2023: $13.4 million).

Going Concern

The Directors have prepared a business plan and cash flow forecast for the period to December 2026. The forecast contains certain assumptions about the level of future sales and the level of margins achievable. These assumptions are the Directors' best estimate of the future development of the business. The Group generates increasing levels of cash driven by its profitable and growing US-based business, ALD. The Directors also note that the Group has diversified its operations with growth in WII. Moreover, given the Group's strong cash position at year-end and after oversubscribed capital raises in 2021 and expansion of its credit facilities in August 2024, the Directors believe that funding will be available on a case-by-case basis for additional initiatives.

Cash and cash investments at 31 December 2024 was $12.1 million. On 31 December 2024, total debt (borrowings and deferred consideration from franchise acquisitions) was $32.4 million with amortisation of such amount through 2029. Meanwhile, (EBITDA) in 2024 increased by 11% to $13.1 million (2023: $11.8 million). Cash on the balance sheet plus an ability to generate significant cash relative to the amount of debt that comes due in any one year between 2025 and 2029 are important variables for Director considerations. Moreover, the Directors consider various scenarios that may influence cash availability such as inflationary pressures, the threat of recession from rising interest rates and the use of cash for investments, such as Salesforce.com and related software applications, geared to create operational efficiencies that enhance future organic cash generation.

The Directors conclude that the Group will have adequate cash resources both to pursue its growth plan and to accelerate execution if it so chooses. The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the financial statements.

Research & Development; Commercialization

The Group's focus is currently on reinvestment for commercialization of technology and technology-based products not pure R&D. Expenditure on pure research, all of which is undertaken by third parties not related to the Group, was $0 (2023: $0). The Group has relationships at various leading universities such as Columbia and Yale to assist with pure research. The Group remains committed to anticipate market demands and has spent money on product development during the year which has been capitalised.

Dividends

The Directors do not recommend the payment of a dividend (2023: $nil).

Share Price

On 31 December 2024, the closing market price of Water Intelligence plc ordinary shares was 412.5 pence. The highest and lowest prices of these shares during the year to 31 December 2024 were 427.5 pence and 317.5 pence respectively.

Capital Structure

Details of the authorised and issued share capital are shown in Note 21. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Future Developments

Future developments are outlined throughout the Chairman's Statement on pages 3-6.

Financial Risk Management

Financial risk management is outlined in the principal risks and uncertainties section of the Strategic Report on page 12.

Subsequent Events

In January 2025, the Group through its ALD franchise business, completed the acquisition of Effective Plumbing a fast growing plumbing company in Connecticut. The purchase price was $1.2 million and is based on 2024 pro forma financials of $1.2 million in sales and $0.3 million in profits. Effective Plumbing builds on ALD's 2022 acquisition of Shanahan Plumbing. Both plumbing companies service high-end residential homes also useful for advancing ALD's StreamLabs Partnership.

In February 2025, The Group completed the reacquisition of its franchise covering parts of Georgia and South Carolina within the Group's ALD franchise business. The purchase price was $3 million and is based on $1.55 million of sales and $0.55 million of profits for 2024. Its operating area includes a significant number of resorts and high-end second homes in South Carolina also useful for advancing ALD's StreamLabs Partnership.

In February 2025, the Group announced a strategic partnership with StreamLabs Water, Inc., a Chubb company. StreamLabs Water makes various leading water monitoring devices. The partnership involves the resale of products by the Group's American Leak Detection business as well as installations and aftercare based on data managed by American Leak Detection.

Directors

The Directors who served the Company during the year and up to the date of this report were as follows:

Executive Directors
Patrick DeSouza – Executive Chairman

Non-Executive Directors
Laura Hills
Bobby Knell

C. Daniel Ewell
Phil Meckley

The biographical details of the Directors of the Company are set out on the Corporate Governance section of the report and on the Company's website www.waterintelligence.co.uk

Directors' emoluments

2024

	Salary, Fees & Bonus	Benefits	Redundancy	Total
	$	$	$	$
Executive Directors				
P DeSouza	645,250	32,425	-	677,675
Non-Executive Directors				
L Hills	-	-	-	-
D Ewell	-	-	-	-
B Knell	20,000	-	-	20,000
P Meckley	-	-	-	-
	665,250	**32,425**	**-**	**697,675**

* In lieu of cash compensation, to be added to the above table, the dirsctors will be issued Ordinary Shares out of treasury shortly after the release of these results.

2023

	Salary, Fees & Bonus	Benefits	Redundancy	Total
	$	$	$	$
Executive Directors				
P DeSouza	595,000	28,000	-	623,000
Non-Executive Directors				
L Hills	-	-	-	-
D Ewell	-	-	-	-
B Knell	40,000	-	-	40,000
M Reisman (retired 06/11/2023)	-	-	-	-
P Meckley (appointed 06/11/2023)	-	-	-	-
	635,000	**28,000**	**-**	**663,000**

* In lieu of cash compensation, to be added to the above table, as announced on 15 February 2024, certain directors were issued fully paid-up Ordinary Shares and the value of these Ordinary Shares issued were: P DeSouza $37.5k, L Hills $37.5K, D Ewell $37.5k, P Meckley $10k.

Directors' interests

The Directors who held office at 31 December 2024 and subsequent to year end had the following direct interest in the voting rights of the Company at 31 December 2024 and at the date of this report, excluding the shares held by Plain Sight Systems, Inc.

	Number of shares at 31 December 2024	% held at 31 December 2024	Number of shares at 30 June 2025[1]	% held at 30 June 2025
Patrick DeSouza[2]	4,874,760	25.0	4,874,760	25.0
Laura Hills	130,373	0.7	130,373	0.7
Bobby Knell	27,000	0.1	27,000	0.1
Dan Ewell	41,320	0.2	41,320	0.2
Phil Meckley	2,050	0.0	2,050	0.0

1 Director compensation for 2024 is accrued. Each director chose to receive their director fees in ordinary shares in lieu of cash; such shares will be issued after the publication of this annual report and the number will be added to the above table.

2 Included in the total above, Patrick DeSouza has (i) 180,000 Partly Paid Shares (2016), (ii) 750,000 (March 2018) (iii) 850,000 (May 2019) and (iv) 300,000 Partly Paid Shares (October 2020). These will not be admitted to trading or carry any economic rights until fully paid. Patrick DeSouza is also a director and shareholder in Plain Sight Systems, Inc and his interests include 1,965,000 shares held by The Patrick J. DeSouza 2020 Irrevocable Trust U/A Dtd 11/23/2020 and 605,936 shares held in The Patrick J. DeSouza GRAT #1 U/T/A Dtd 11/23/2020.

Share option schemes

To provide incentive for the management and key employees of the Group, the Directors award stock options. Details of the current scheme are set out in Note 7.

Substantial Shareholders

As well as the Directors' interests reported above, the following interests of 3.0% and above as at the date of this report were as follows:

	Number of shares	% held
Plain Sight Systems, Inc.	2,430,410	12.5
Canaccord Genuity Group Inc.	1,470,081	6.7
Maven Capital Partners	1,055,810	5.4
George D. Yancopoulos	880,920	4.5
Herald Investment Trust	642,526	3.3

Corporate Responsibility

The Board recognises its employment, environmental and health and safety responsibilities. It devotes appropriate resources towards monitoring and improving compliance with existing standards. An Executive Director has responsibility for these areas at Board level, ensuring that the Group's policies are upheld and providing the necessary resources.

Employees

The Board recognises that the Group's employees are its most important asset.

The Group is committed to achieving equal opportunities and to complying with relevant anti-discrimination legislation. It is established Group policy to offer employees and job applicants the opportunity to benefit from fair employment, without regard to their sex, sexual orientation, marital status, race, religion or belief, age or disability. Employees are encouraged to train and develop their careers.

The Group has continued its policy of informing all employees of matters of concern to them as employees, both in their immediate work situation and in the wider context of the Group's well-being. Communication with employees is effected through the Board, the Group's management briefings structure, formal and informal meetings and through the Group's information systems.

Independent Auditors

Crowe U.K. LLP has expressed their willingness to continue in office. In accordance with section 489 of the Companies Act 2006, resolutions for their re-appointment and to authorise the Directors to determine the Independent Auditors' remuneration will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure to the Independent Auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

By order of the Board

Patrick DeSouza
Executive Chairman
30 June 2025

Corporate Governance Statement

As a Board, we believe that practicing good Corporate Governance is essential for building a successful and sustainable business in the long-term interests of all stakeholders. Water Intelligence's shares are listed on AIM, a market operated by the London Stock Exchange.

With effect from September 2018, Water Intelligence has adopted the QCA Corporate Governance Code. The Company has adopted a share dealing code for the Board and employees of the Company which is in conformity with the requirements of Rule 21 of the AIM Rules for Companies. The Company takes steps to ensure compliance by the Board and applicable employees with the terms of such code.
The following pages outline the structures, processes and procedures by which the Board ensures that high standards of corporate governance are maintained throughout the Group.

Further details can be found on our website at www.waterintelligence.co.uk/corporate-Board-and-governance

Takeovers and Mergers

The Company is subject to The City Code on Takeovers and Mergers.

Board

The Board, chaired by Patrick DeSouza, comprises one executive and four non-executive directors and it oversees and implements the Company's corporate governance program. As Chairman, Dr. DeSouza is responsible for the Company's approach to corporate governance and the application of the principles of the QCA Code. Dan Ewell, Bobby Knell and Phil Meckley are the Company's independent directors. The Board is supported by two committees: audit and remuneration. The Board does not consider that it is of a size at present to require a separate nominations committee, and all members of the Board are involved in the appointment of new directors.

Each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Company. They are required to attend at least 4 Board meetings annually and join regular Board calls that take place between formal meetings and offer availability for consultation when needed.

Board papers are sent out to all directors in advance of each Board meeting including management accounts and accompanying reports from those responsible.

Meetings held during the period between 1 January 2024 and 31 December 2024 and the attendance of directors is summarized below:

	Board meetings Possible (attended)	Audit committee Possible (attended)	Remuneration committee Possible (attended)
Patrick DeSouza	6/6		
Bobby Knell	5/6		2/2
Dan Ewell	6/6	2/2	
Laura Hills	6/6	2/2	2/2
Phil Meckley	6/6		

Board Committees

The Board has established an Audit Committee and a Remuneration Committee with delegated duties and responsibilities.

(a) Audit Committee
Dan Ewell, Non-Executive Director, is Chairman of the Audit Committee. The other member of the Committee is Laura Hills. The Audit Committee is responsible for ensuring that the financial performance, position and prospects for the Company are properly monitored, controlled and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls.

(b) Remuneration Committee
Bobby Knell, Non-Executive Director, is Chairman of the Remuneration Committee. The other member of the Committee is Laura Hills. The Remuneration Committee is responsible for reviewing performance of Executive Directors and determining the remuneration and basis of service agreement with due regard for

the Combined Code. The Remuneration Committee also determines the payment of any bonuses to Executive Directors and the grant of options.

The Company has adopted and operates a share dealing code for directors and senior employees on the same terms as the Model Code appended to the Listing Rules of the UKLA.

Board Experience

All five members of the Board bring complementary skill sets to the Board. One director is female and four are male. The Board believes that its blend of relevant experience, skills and personal qualities and capabilities is sufficient to enable it to successfully execute its strategy. In addition, the Board receives regular updates from, amongst others, its nominated adviser, legal counsel and company secretary in relation to key rule changes and corporate governance requirements, as well as regular liaison with audit firms both in the UK and the US in respect of key disclosure and accounting requirements for the Group, especially as accounting standards evolve. In addition, each new director appointment is required to receive AIM rule training from the Company's nominated adviser at the time of their appointment.

Patrick J. DeSouza, Executive Chairman

Term of office: Appointed as Executive Chairman in July 2010.

Background and suitability for the role: Dr. DeSouza has been Chairman of American Leak Detection since 2006 and Executive Chairman since its reverse merger to create Water Intelligence plc in 2010. He has 25 years of operating and advisory leadership experience with both public and private companies in the defence, software/Internet and asset management industries. Over the course of his career, Dr. DeSouza has had significant experience in corporate finance and cross-border mergers and acquisition transactions. He has practised corporate and securities law as a member of the New York and California bars. Dr. DeSouza has also worked at the White House as Director for Inter-American Affairs on the National Security Council. He is the author of Economic Strategy and National Security (2000). He is a graduate of Columbia College, the Yale Law School and Stanford Graduate School.

Laura Hills, Non-Executive Director

Term of office: Appointed 7 June 2021 as Executive Director but returned to non-executive director which she originally was appointed since 6 March 2018.

Background and suitability for the role: Laura has more than 30 years' experience as a legal professional, having spent 10 years working for Overseas Private Investment Corporation (OPIC), where she served as Associate General for the agency's finance program, supervising a team of lawyers on all finance transactions ranging from micro-lending and small business to multi-creditor infrastructure project financing in emerging market countries. In 2002, Ms. Hills founded Hills, Stern & Morley LLP, an emerging markets legal firm based in Washington D.C. Laura sits on the Board of the Gerald Ford Presidential Foundation. Laura brings considerable expertise in negotiating on infrastructure and renewables related transactions globally. Moreover, Ms. Hills experience with non-profits assists the Board in fulfilling its responsibility to advance the mission of Water Intelligence to support underserved communities globally. Laura holds undergraduate, graduate and law degrees from Stanford University.

Bobby Knell, Independent Non-Executive Director

Term of office: Appointed 7 June 2021, having previously been an executive director, non-executive director since 12 March 2019.

Background and suitability for the role: The ALD franchise business is central to the operations and value proposition of Water Intelligence. Bobby has served as a managing director at Water Intelligence responsible for franchise relations for the last four years. Prior to this role, Bobby founded and grew the Dallas franchise of American Leak Detection into a multi-million dollar operation, an operation now run by his son. His appointment furthers the alignment of strategy and interests between corporate operations and the core American Leak Detection franchise business.

C. Daniel Ewell, Independent Non-executive Director

Term of office: Appointed as a non-executive director on 8 April 2021

Background and suitability for the role: Dan Ewell is currently a Senior Advisor at Morgan Stanley, where he has worked as an investment banker for over 33 years. Prior to assuming his current role, Mr. Ewell served as Vice Chairman and Head of Western Region Investment Banking for Morgan Stanley. Dan has extensive experience in advising companies and helping them grow through capital raising and strategic transactions. His experience spans a range of sectors including consumer/retails, industrial, healthcare and media/technology, and included companies with franchised business models. As the Group continues to scale its operations internationally, it has a need to broaden its institutional and strategic activity in capital markets. Mr. Ewell brings considerable expertise in this area. He is a graduate of University of California, Berkeley, Yale Law School and Yale School of Management.

Phillip Meckley, Independent Non-executive Director

Term of office: Appointed as a non-executive director on 6 November 2023

Background and suitability for the role: Mr. Meckley currently owns fast-growing franchises in California and Texas. He brings over twenty-five years of operating experience in growing ALD locations and has provided significant leadership to the entire franchise System. In addition, Phil and his wife Robin have provided leadership with respect to ALD's charitable efforts to help disadvantaged communities in various parts of the world solve water infrastructure issues, most recently in rural India.

The Group has a non-Board Chief Financial Officer, Pat Lamarco Jr., who attends all Board meetings and reports regularly to the Board and assists in the preparation of Board materials and in reviewing the budget and ongoing performance.

The Company Secretary is responsible for ensuring that Board procedures are followed and that all applicable rules and regulations are complied with. Adrian Hargrave currently performs the role of Company Secretary, providing an advisory role to the Board. The Company Secretary is supported and guided in this role by the Company's legal advisors.

The Directors have access to the Company's CFO, NOMAD, Company Secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

Board Performance and Effectiveness

The performance and effectiveness of the Board, its committees and individual Directors is reviewed by the Chairman and the Board an ongoing basis. Training is available should a Director request it, or if the Chairman feels it is necessary. The performance of the Board is measured by the Chairman and Dan Ewell, one of the non-executive directors, with reference to the Company's achievement of its strategic goals.

Risk Management

The Directors recognise their responsibility for the Group's system of internal control and have established systems to ensure that an appropriate and reasonable level of oversight and control is provided. The Group's systems of internal control are designed to help the Group meet its business objectives by appropriately managing, rather than eliminating, the risks to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Executive Chairman with the assistance of the Company Secretary and the Chief Financial Officer manages a risk register for the Group that identifies key risks in the areas of corporate strategy, financial, clients, staff, environmental and the investment community. The Board is provided with a copy of the register. The register is reviewed periodically and is updated as and when necessary.

Within the scope of the annual audit, specific financial risks are also evaluated in detail, including in relation to foreign currency, interest rates, debt covenants, taxation and liquidity.

The annual budget is reviewed and approved by the Board. Financial results, with comparisons to budget and latest forecasts are reported on a monthly basis to the Board together with a report on operational achievements, objectives and issues encountered. Significant variances from plan are discussed at Board meetings and actions set in place to address them.

Approval levels for authorisation of expenditure are at set levels throughout the management structure with any expenditure in excess of pre-defined levels requiring approval from the Executive Chairman and the Chief Financial Officer.

Measures continue to be taken to review and embed internal controls and risk management procedures into the business processes of the organisation and to deal with areas of improvement which come to the management's and the Board's attention. We expect the internal controls for the business to change as the business expands both geographically and in terms of product development.

The Company's auditors are encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.

Corporate Culture

Corporate Responsibility

The Board recognises its employment, environmental and health and safety responsibilities. It devotes appropriate resources towards monitoring and improving compliance with existing standards. There is a professional Human Resources Director. Laura Hills is responsible for oversight at the Board level. Ms. Hills ensures that the Group's policies are upheld and providing the necessary resources. All members of the Board have significant experience in matters of public policy.

Employees

The Board recognises that the Group's employees are its most important asset.

The Group is committed to achieving equal opportunities and to complying with relevant anti-discrimination legislation. It is established Group policy to offer employees and job applicants the opportunity to benefit from fair employment, without regard to their sex, sexual orientation, marital status, race, religion or belief, age or disability. Employees are encouraged to train and develop their careers. The Group has an employee handbook that is provided to all employees upon starting their employment within the Group.

The Group has continued its policy of informing all employees of matters of concern to them as employees, both in their immediate work situation and in the wider context of the Group's well-being.

In addition, all directors and senior employees are required to abide by the Group's share dealing code, which was updated in 2016 to reflect changes made to legislation following the introduction of the Market Abuse Regulation.

Audit Committee Annual Review

The role of the Audit Committee is to monitor the quality of internal controls and check that the financial performance of the Group is properly assessed and reported on. It receives and reviews reports from the Chief Financial Officer, other members of management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The members of the Audit Committee are Dan Ewell (Chairman) and Laura Hills.

The Executive Chairman and Chief Financial Officer are invited to attend parts of meetings, with other senior financial managers required to attend when necessary. The external auditors attend meetings to discuss the planning and conclusions of their work and meet with the members of the Committee. The Committee is able to call for information from management and consults with the external auditors directly as required.

The objectivity and independence of the external auditors is safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company and tracking the level of non-audit fees payable to the auditors.

The Committee met twice during the year, to review the 2023 annual accounts and the interim accounts to 30 June 2024. The Committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Remuneration Committee Annual Review

The Remuneration Committee convenes not less than once a year and during the year it met on two occasions. The Committee comprises Laura Hills and Bobby Knell, with Bobby Knell as Chairman. The Remuneration Committee is responsible for reviewing the performance of Executive Directors and determining the remuneration and basis of service agreement. The Remuneration Committee also determines the payment of any bonuses to Executive Directors and the grant of options. Where appropriate the Committee consults the Executive Chairman regarding its proposals. No Director plays a part in any discussion regarding his or her own remuneration.

Relations with Shareholders

The Company is available to hold meetings with its shareholders to discuss objectives and to keep them updated on the Company's strategy, Board membership and management.

The Board also welcome shareholders' enquiries, which may be sent via the Company's website *www.waterintelligence.co.uk*.

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2006 and for being satisfied that the Financial Statements give a true and fair view. The Directors are also responsible for preparing the Financial Statements in accordance with UK adopted International Accounting Standards.

Company law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and the Group, and to enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on a website. Financial Statements are published on the Group's website (*www.waterintelligence.co.uk*) in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained there.

Independent Auditors' report to the members of Water Intelligence plc

Opinion

We have audited the financial statements of Water Intelligence plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2024, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 December 2024;
- the Consolidated and Company statements of financial position as at 31 December 2024;
- the Consolidated and Company statements of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- We reviewed management's business plan and cash flow forecast for the Group (which includes the Company) for a period of more than 12 months from the date of approval of the financial statements;
- We checked the numerical accuracy of management's cash flow forecast;
- We challenged management on the assumptions underlying those projections;
- Performed stress tests on managements forecasts and assessed that the Group has sufficient liquidity headroom;
- We obtained the latest management results post year end to assess how the Group is performing compared to the forecasts;
- Considered the terms of the external borrowing and deferred consideration and the impact on the future cash flows; and
- Assessed the completeness and accuracy of the matters described in the going concern disclosures within the significant accounting policies as set out in Note 3.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be $370,000 (2023: $370,000), based on approximately 6% of Group profit before tax (2023: 6% of Group profit before tax).

Materiality for the stand-alone Company financial statements was $700,000 (2023: $716,000) based on 2% of total assets and this was restricted to $140,000 (2023: $100,000) for the Group.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £259,000 (2023: $259,000) for the Group, $490,000 (2023: $501,200) for the stand-alone Company financial statements and this was restricted to $98,000 (2023: $84,000) for the Group.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of $18,500 (2023: $18,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We performed full scope audits for the following components, being the Company, its principal US operating subsidiary American Leak Detection and US holding company American Leak Detection Holding Company. Targeted specified procedures were performed over the UK and Irish entities by the Group audit team and by the US component team for the remaining US, Canadian and Australian entities.

Further, the Group audit team performed audit procedures over the Group consolidation, financial statement disclosures and analytical procedures on all non-full scope audit components

The Group, Company and UK subsidiaries are accounted for from a location in the UK, whilst its material US subsidiary and Australian subsidiary are accounted for from the US. Our audit was conducted from the UK and component auditors were used to perform the audit work in the US. We have planned, controlled, and reviewed the group audit and are satisfied it was performed under our direction. We have remotely reviewed the US work to carry out our review of component auditor working papers and have met with group management virtually.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition Revenue is recognised in accordance with the accounting policy set out in the financial statements. Revenue in relation to the provision of service to clients are billed when work is completed and where work is not completed around the year end there is judgment related to the accrual for the revenue, which can be complex. We considered the risk that revenue may be materially mis-stated.	Our audit procedures included the following: • Walkthrough of the revenue process and evaluation of the design and implementation of controls around revenue; • Evaluated that the accounting policies are appropriate and in accordance with International Financial Reporting Standard 15 'Revenue from Contract with Customers' and performed audit procedures to provide evidence that revenue was accounted for in accordance with the policy as detailed in note 4; • Tested a sample of revenue transaction across the operating companies of the Group across each revenue stream by agreeing amounts to supporting documentation to ensure that the transactions are correctly accounted for, that the performance obligations have been satisfied and to cash receipts; • Tested all material accrued and deferred income balances to ensure that the accrued income is materially correct; and • Reviewed the disclosures in the financial statements to ensure they were compliant with the requirements of IFRS 15.
Impairment of goodwill The carrying value of goodwill relates to goodwill on franchisor activities, goodwill on acquisitions and owned stores goodwill all of which an annual impairment review is required to be performed. Impairment assessments involve judgement regarding the future performance of the cash generating	We reviewed management's assessment of the carrying value of the group's goodwill. Our procedures included the following: • Performed a walkthrough of the process and controls to gain an understanding of the Group's impairment process including identification of CGU's, calculation methodology, selection of sources of key assumptions;

Key audit matter	How the scope of our audit addressed the key audit matter
units to which these assets are allocated, consequently, we consider their recoverability to have a higher risk of material misstatement This is set out in the financial statements in Note 3 and 13.	• Reviewed the discounted cash-flow forecasts for the group and the relevant cash generating units to ensure that the cash generating units were appropriately identified and an assessment of the key assumptions, which principally included discount rate and growth rates as discussed in Note 13; • Obtained the latest management results post year end to assess how the Group is performing compared to the forecasts for each CGU; • Checked the mathematical accuracy of the impairment workings; • Applied stress tests to the model for reasonable possible changes in the assumptions; • Utilising our valuation specialists to assist in our assessment of the discount rate used in the impairment models; and • Reviewed the disclosures in the financial statements.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

Based on our understanding of the Group and the Company and industry, discussions with management and directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

- We used data analytic techniques to assist in identifying any unusual transactions or unexpected relationships.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Charlton (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 30 June 2025

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Notes	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Revenue	4	83,291,649	75,974,552
Cost of sales		(9,795,325)	(10,362,197)
Gross profit		73,496,324	65,612,355
Administrative expenses			
– Other income		974,355	59,422
– Gain on bargain purchase	12	356,464	-
– Share-based payments	7	(379,343)	(571,970)
– Amortisation of intangibles	13	(854,878)	(841,516)
– Other administrative costs		(65,941,266)	(57,074,745)
Total administrative expenses		(65,844,668)	(58,428,809)
Operating profit		7,651,656	7,183,546
Finance income	8	395,729	699,819
Finance expense	9	(1,690,900)	(1,643,978)
Profit before tax		6,356,485	6,239,387
Taxation expense	10	(1,572,490)	(1,605,585)
Profit for the year		4,783,995	4,633,802
Attributable to:			
Equity holders of the parent		4,680,130	4,398,681
Non-controlling interests		103,865	235,121
		4,783,995	4,633,802
Other Comprehensive Income			
Subsequently reclassified to the P&L			
Exchange differences arising on translation of foreign operations		(173,851)	199,826
Cash flow hedge movement		215,558	(171,912)
Not subsequently reclassified to the P&L			
Fair value adjustment on listed equity investment (net of deferred tax)		(128,528)	(21,927)
Total comprehensive profit for the year		4,697,174	4,639,789
Attributable to:			
Equity holders of the parent		4,593,309	4,404,668
Non-controlling interests		103,865	235,121
		4,697,174	4,639,789

Profit per share attributable to equity holders of Parent		**Cents**	**Cents**
Basic	11	26.9	25.3
Diluted	11	26.3	24.7

The results reflected above relate to continuing activities.
The accompanying notes on pages 38 to 73 are an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	Notes	2024 $	2023 $
ASSETS			
Non-current assets			
Goodwill	13	64,996,704	49,791,203
Listed equity investment	24	292,067	447,231
Other intangible assets	13	11,632,065	7,840,157
Interest rate swap	23	491,824	276,265
Property, plant and equipment	14	12,991,015	10,538,135
Trade and other receivables	17	250,500	207,990
		90,654,175	69,100,981
Current assets			
Inventories	16	930,439	723,315
Trade and other receivables	17	10,934,817	11,063,253
Investments	18	6,683,089	6,875,250
Cash and cash equivalents	18	5,452,479	8,882,627
		24,000,824	27,544,445
TOTAL ASSETS		114,654,999	96,645,426
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	21	143,192	143,192
Share premium	21	35,417,072	35,417,072
Shares held in treasury	21	(883,549)	(1,139,404)
Merger reserve		1,001,150	1,001,150
Share based payment reserve		2,822,366	2,254,347
Foreign exchange reserve		(1,478,888)	(1,305,037)
Reverse acquisition reserve	21	(27,758,088)	(27,758,088)
Equity investment reserve		(794,668)	(666,140)
Cash flow hedge reserve		491,823	276,265
Retained earnings		56,018,304	51,495,814
		64,978,714	59,719,171
Equity attributable to Non-Controlling interest			
Non-controlling Interest		455,007	610,375
Non-current liabilities			
Borrowings	22/23	26,361,482	12,510,867
Deferred consideration	12	5,332,269	3,632,074
Deferred tax liability	20	3,212,788	2,618,605
		34,906,539	18,761,546
Current liabilities			
Trade and other payables	19	6,749,312	5,997,028
Borrowings	22/23	3,787,362	6,805,131
Deferred consideration	12	3,778,065	4,752,175
		14,314,739	17,554,334
TOTAL EQUITY AND LIABILITIES		114,654,999	96,645,426

The accompanying notes on pages 38 to 73 are an integral part of these financial statements
The financial statements of Water Intelligence plc, company number 03923150, were approved by the Board of Directors and authorised for issue on 30 June 2025. They were signed on its behalf by:

Patrick De Souza
Executive Chairman

Company Statement of Financial Position

as at 31 December 2024

	Notes	2024 $	2023 $
ASSETS			
Non-current assets			
Investment in subsidiaries	15	6,903,702	6,994,345
Trade and other receivables	17	22,041,011	22,673,254
Listed equity investment	24	292,067	447,231
		29,236,780	30,114,830
Current assets			
Trade and other receivables	17	5,825,417	4,620,777
Cash and cash equivalents	18	44,789	1,105,607
		5,870,206	5,726,384
TOTAL ASSETS		35,106,986	35,841,214
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	21	143,192	143,192
Share premium	21	35,417,072	35,417,072
Shares held in treasury	21	(883,549)	(1,139,404)
Merger reserve		1,001,150	1,001,150
Share based payment reserve		2,822,366	2,254,347
Foreign exchange reserve		(2,791,862)	(2,585,747)
Equity investment reserve		(794,668)	(666,140)
Retained earnings		269,428	1,526,798
		35,183,129	35,951,268
Non-current liabilities			
Deferred tax liability		(219,326)	(190,069)
		(219,326)	(190,069)
Current liabilities			
Trade and other payables	19	143,183	80,015
		143,183	80,015
TOTAL EQUITY AND LIABILITIES		35,106,986	35,841,214

The loss for the financial year in the financial statements of the parent Company was $1,099,730 (2023: loss $879,468), which related entirely to Plc costs.

The accompanying notes on pages 38 to 73 are an integral part of these financial statements.

The financial statements of Water Intelligence plc, company number 03923150, were approved by the Board of Directors and authorised for issue on 30 June 2025. They were signed on its behalf by:

Patrick De Souza
Executive Chairman

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share Capital $	Share Premium $	Shares held in Treasury $	Merger Reserve $	Share based payment reserve $	Foreign exchange reserve $	Reverse Acquisition Reserve $	Equity Investment Reserve $	Cash Flow Hedge Reserve $	Retained Earnings $	Total $	Non-controlling interest $	Total Equity $
As at 1 January 2023	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**1,555,090**	**(1,504,863)**	**(27,758,088)**	**(644,213)**	**448,177**	**47,097,133**	**54,615,246**	**598,636**	**55,213,882**
Share-based payment expense	- -	-	- --	-	571,970	-	-	-	-	-	571,970	-	571,970
Options granted as part of purchase price	-	-	-	-	67,287	-	-	-	-	-	67,287	-	67,287
Options granted in lieu of board fees	-	-	-	-	60,000	-	-	-	-	-	60,000	-	60,000
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	73,500	73,500
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(296,882)	(296,882)
Profit for the year	-	-	-	-	-	-	-	-	-	4,398,681	4,398,681	235,121	4,633,802
Other comprehensive income	- -	-	- -	-	-	199,826	-	(21,927)	(171,912)	-	5,987	-	5,987
As at 31 December 2023	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**2,254,347**	**(1,305,037)**	**(27,758,088)**	**(666,140)**	**276,265**	**51,495,814**	**59,719,171**	**610,375**	**60,329,546**
As at 1 January 2024	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**2,254,347**	**(1,305,037)**	**(27,758,088)**	**(666,140)**	**276,265**	**51,495,814**	**59,719,171**	**610,375**	**60,329,546**
Share-based payment expense	- -	-	- --	-	379,343	-	-	-	-	-	379,343	-	379,343
Options granted as part of purchase price	-	-	-	-	188,676	-	-	-	-	-	188,676	-	188,676
Share buyback	-	-	(170,522)	-	-	-	-	-	-	-	(170,522)	-	(170,522)
Treasury shares issued	-	-	426,377	-	-	-	-	-	-	(157,640)	268,737	-	268,737
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(259,233)	(259,233)
Profit for the year	-		-			-	-	-	-	4,680,130	4,680,130	103,865	4,783,995
Other comprehensive income	- -	-	- -	-	-	(173,851)	-	(128,528)	215,558	-	(86,821)	-	(86,821)
As at 31 December 2024	**143,192**	**35,417,072**	**(883,549)**	**1,001,150**	**2,822,366**	**(1,478,888)**	**(27,758,088)**	**(794,668)**	**491,823**	**56,018,304**	**64,978,714**	**455,007**	**65,433,721**

The accompanying notes on pages 38 to 73 are an integral part of these financial statements

Company Statement of Changes in Equity

for the year ended 31 December 2024

	Share Capital $	Share Premium $	Shares held in Treasury $	Merger Reserve $	Share based payment reserve $	Foreign exchange reserve $	Equity Investment Reserve $	Retained (Losses)/ Earnings $	Total Equity $
As at 1 January 2023	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**1,555,090**	**(3,269,732)**	**(644,213)**	**2,406,266**	**35,469,421**
Options granted as part of purchase price	-	-	-	-	67,287	-	-	-	67,287
Options granted in lieu of board fees	-	-	-	-	60,000	-	-	-	60,000
Share-based payment expense	-	-	-	-	571,970	-	-	-	571,970
Loss for the year	-	-	-	-	-	-	-	(879,468)	(879,468)
Other comprehensive loss	-	-	-	-	-	683,985	(21,927)	-	662,058
As at 31 December 2023	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**2,254,347**	**(2,585,747)**	**(666,140)**	**1,526,798**	**35,951,268**
As at 1 January 2024	**143,192**	**35,417,072**	**(1,139,404)**	**1,001,150**	**2,254,347**	**(2,585,747)**	**(666,140)**	**1,526,798**	**35,951,268**
Share-based payment expense	-	-	-	-	379,343	-	-	-	379,343
Options granted as part of purchase price	-	-	-	-	188,676	-	-	-	188,676
Share buyback	-	-	(170,522)	-	-	-	-	-	(170,522)
Treasury shares issued	-	-	426,377	-	-	-	-	(157,640)	268,737
Loss for the year	-	-	-	-	-	-	-	(1,099,730)	(1,099,730)
Other comprehensive loss	-	-	-	-	-	(206,115)	(128,528)	-	(334,643)
As at 31 December 2024	**143,192**	**35,417,072**	**(883,549)**	**1,001,150**	**2,822,366**	**(2,791,862)**	**(794,668)**	**269,428**	**35,183,129**

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Shares held in treasury	Amounts received for buyback of shares
Merger reserve	Non-distributable reserve arising on reverse acquisition.
Share based payment reserve	Amounts recognised for the fair value of share options granted in accordance with IFRS 2.
Foreign exchange reserve	Foreign exchange differences on re-translation.
Reverse acquisition reserve	See page 65 for details
Equity investment reserve	Fair value adjustments on the listed equity investment (net of deferred tax).
Cash flow hedge reserve	Fair value adjustments on the swap
Retained profits/(losses)	Cumulative net profits/(losses) recognised in the Financial Statements.

The accompanying notes on pages 38 to 73 are an integral part of these financial statements

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Year ended 31 December 2024	Year ended 31 December 2023 $
Cash flows from operating activities		
Profit before tax	6,356,484	6,239,387
Adjustments for non-cash/non-operating items:		
Depreciation of plant and equipment	4,568,406	3,745,773
Amortisation of intangible assets	854,878	841,516
Share based payments	379,343	571,970
Gain from reversal of contingent consideration	(700,000)	-
Gain on bargain purchase	(356,464)	-
Non cash employment costs	268,737	-
Finance costs	1,690,900	1,643,978
Finance income	(395,729)	(699,819)
Operating cash flows before movements in working capital	12,666,555	12,342,805
(Increase) /Decrease in inventories	(207,124)	35,755
Decrease in trade and other receivables	1,634,614	409,913
Increase / (Decrease) in trade and other payables	127,689	(490,886)
Cash generated by operations	14,221,734	12,297,587
Income taxes paid	(1,739,725)	(897,106)
Net cash generated from operating activities	12,482,009	11,400,481
Cash flows from investing activities		
Purchase of plant and equipment	(2,108,307)	(1,269,867)
Disposal of plant and equipment	200,554	191,178
Purchase of intangible assets	(3,813,954)	(3,370,700)
Acquisition of subsidiaries	(571,246)	-
Reacquisition of franchises	(6,511,890)	(4,203,500)
Purchase of investments	192,161	(6,875,250)
Finance income	395,729	699,818
Net cash used in investing activities	(12,216,953)	(14,828,321)
Cash flows from financing activities		
Share buyback	(170,522)	-
Contribution from non-controlling interest	-	73,500
Distribution to non-controlling interest	(185,733)	(296,882)
Finance costs	(1,635,600)	(1,360,057)
Proceeds from borrowings	26,628,000	2,811,353
Repayment of borrowings	(18,410,090)	(4,986,658)
Repayment of notes	(8,098,116)	(5,229,265)
Repayment of lease liabilities	(1,823,143)	(1,715,978)
Net cash (used) from financing activities	(3,695,204)	(10,703,987)
Net (decrease) in cash and cash equivalents	(3,430,148)	(14,131,827)
Cash and cash equivalents at the beginning of year	8,882,627	23,014,454
Cash and cash equivalents at end of year	5,452,479	8,882,627

The accompanying notes on pages 38 to 73 are an integral part of these financial statements

Company Statement of Cash Flows

for the year ended 31 December 2024

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Cash flows from operating activities		
Loss before tax	(1,099,730)	(879,468)
Adjustments for non-cash/non-operating items:		
Share based payment expense	379,342	571,970
Non cash employment costs	268,737	-
Operating cash flows before movements in working capital	(451,651)	(307,498)
(Increase)/Decrease in trade and other receivables	(501,813)	(271,281)
Increase/(Decrease) in trade and other payables	63,168	299,762
Cash used by operations	(890,296)	(279,017)
Income taxes paid	-	-
Net cash used by operating activities	(890,296)	(279,017)
Cash flows from investing activities		
	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Share buyback	(170,522)	-
Net cash (used) generated from financing activities	(170,522)	-
(Decrease) in cash and cash equivalents	(1,060,818)	(279,017)
Cash and cash equivalents at the beginning of period	1,104,607	1,384,624
Cash and cash equivalents at end of period	44,789	1,105,607

The accompanying notes on pages 38 to 73 are an integral part of these financial statements

1 General information

The Group is a leading provider of minimally invasive, leak detection and remediation services for potable and non-potable water. The Group's strategy is to be a "One-stop Shop" of water leak and repair solutions (services and products) for residential, commercial and municipal customers.

The Company is a public limited company limited by shares. Domiciled in the United Kingdom and incorporated under registered number 03923150 in England and Wales. The Company's registered office is 27-28 Eastcastle Street, London W1W 8DH.

The Company is listed on AIM of the London Stock Exchange. These Financial Statements were authorised for issue by the Board of Directors on 30 June 2025.

2 Adoption of a new International Financial Reporting Standards

No new standards and interpretations adopted by the UK endorsement board had a significant impact on the consolidated financial statements.

Standards, amendments, and interpretations to published standards not yet effective

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group

3 Material accounting policies

Basis of preparation
These Financial Statements of the Group and Company are prepared on a going concern basis, under the historical cost convention except for certain financial instruments at fair value and in accordance with UK adopted International Accounting Standards (IFRS). The Parent Company's Financial Statements have also been prepared in accordance with UK adopted International Accounting Standards as applied by the Companies Act 2006.

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Financial Statements are presented in US Dollars ($), rounded to the nearest dollar.

Going concern
The Directors have prepared a business plan and cash flow forecast for the period to December 2026. The forecast contains certain assumptions about the level of future sales and the level of margins achievable. These assumptions are the Directors' best estimate of the future development of the business. The Group generates increasing levels of cash driven by its profitable and growing US-based business, ALD. The Directors also note that the Group has diversified its operations further with growth in WII. Moreover, after oversubscribed capital raises in July and November 2021 and refinancing and expansion of its credit facilities in August 2024 the Directors believe that funding will be available on a case-by-case basis for additional initiatives.

Cash and cash investments at 31 December 2024 was $12.1 million. At 31 December 2024, total debt (borrowings and deferred consideration from franchise acquisitions) was $32.4 million with amortisation of such amount through 2029. Meanwhile, operating cash flows (EBITDA) in 2024 increased by 11% to $13.1 million (2023: $11.8 million). Cash on the balance sheet plus an ability to generate significant cash relative to the amount of debt that comes due in any one year between 2025 and 2029 are important variables for Director considerations. Moreover, the Directors consider various scenarios that may influence cash availability such as inflationary pressures, the threat of recession from rising interest rates and the use of cash for investments, such as Salesforce.com and related software applications, geared to create go-forward operational efficiencies that enhance organic cash generation.

The Directors conclude that the Group will have adequate cash resources both to pursue its growth plan and to accelerate execution if it so chooses. The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation
The Group financial statements consolidate the accounts of Water Intelligence plc and all of its subsidiary undertakings made up to 31 December 2024. The Consolidated Statement of Comprehensive Income includes the results of all subsidiary undertakings for the period from the date on which control passes. Control is achieved where the Group (or one of its subsidiary undertakings) obtains the power to govern the financial and operating policies of an investee entity so as to derive benefits from its activities.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The acquisition of ALDHC in 2010 was accounted for as a reverse acquisition. The assets and liabilities revalued at their fair value on acquisition therefore related to the Company. Both a merger reserve and a reverse acquisition reserve were created to enable the presentation of a consolidated statement of financial position which combines the equity structure of the legal parent with the reserves of the legal subsidiary.

Inter-company transactions and balances and unrealised gains or losses on transactions between Group companies are eliminated in full.

Parent Company income statement – UK head office only
The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own Statement of Comprehensive Income. The Company's loss after tax for the year ended 31 December 2024 is $1,099,730 (2023: $879,468).

Inventories
The inventories, consisting primarily of equipment, parts, and supplies, are recorded at the lower of cost (FIFO) or net realisable value.

Taxation
Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

Deferred tax

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Foreign currencies

(i) Functional and presentational currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which each entity operates

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(ii) Group Companies

The results and financial position of all the Group entities that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at closing rate at the date of the statement;

(b) the income and expenses are translated at average exchange rates for period where there is no significant fluctuation in rates, otherwise a more precise rate at a transaction date is used; and

(c) all resulting exchange differences are recognised in other comprehensive income.

Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use lease is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the Group incremental borrowing rate.

Contingent consideration

Acquisition consideration accounted for as deemed remuneration in accordance with the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3, the cost of the business combination excludes consideration which is contingent on the selling shareholders remaining with the group. These amounts are accounted for as deemed remuneration, are charged to the consolidated statement of comprehensive income over the period of the service obligation and disclosed as acquisition consideration within administrative expenses. The resultant liability is recognized withing trade and other payables. Acquisition consideration payments, which are deemed remuneration under this accounting policy, are disclosed with cash flows from operating activities within the cash flow statement. There is no net change in the cash flow statement.

Nature of the Business

Water Intelligence plc operates through two wholly-owned subsidiaries: American Leak Detection (ALD) and Water Intelligence International (WII). Both subsidiaries provide precision water leak detection and repair services. The services that are performed for various customers are discrete activities - locating a water leak or fixing a leak. The services are not bundled. Each service has a price established in a rate book. Depending on customer preference, a service technician may stop after locating the leak. The customer would pay a fee for that service. Or following the leak detection service, the technician may also provide repair services for separate fee depending on what is contracted for by the customer. Service jobs are typically short in duration, usually 1-2 hours for a leak detection service. ALD delivers these services through corporate locations and franchise locations across the United States and in Canada and Australia. WII operates outside the United States, mainly in the UK and Ireland, and delivers services only through corporate locations.

Customers and Sources of Revenue

Residential.

Both ALD and WII provide services to residential customers. Service technicians, whether from franchise-operated locations or corporate-operated locations, provide services to homeowners. When the service is delivered, the homeowner is invoiced immediately upon completion of the service. The price of the service is a fixed call-out charge for the technician to come to the house and an hourly charge based on the time it takes to find the leak. Revenue is recognized upon completion of the service.

Business-to-Business.

ALD has written national contracts with nationwide insurance companies. The insurance company, as ALD's customer, receives claims from homeowners or property management for water-related damage. The insurance company contracts directly with ALD headquarters. ALD headquarters, as the principal, takes liability risk for performance of the service jobs and for providing to insurance companies certain management services. A national price book is established as part of the national contract. After the leak detection service is performed, report from ALD headquarters is delivered to the insurance company and the insurance company is also invoiced for the job. Service is deemed complete upon delivery of the report and invoice. Revenue is recognized upon delivery of the report and invoice.

Municipal.

WII headquarters or ALD headquarters will contract with a municipality to provide leak detection services. Such leak detection services largely consist of surveying kilometers of pipe. During such surveys, a designated distance is covered each day with a daily rate per technician per kilometer covered. A report is prepared for the municipality weekly. When the report is delivered, the service is deemed complete with respect to the distance covered. The municipality will be billed for the week's work when the report is conveyed. Revenue is recognized upon the delivery of the report.

Franchise Sales, Equipment and On-going Royalty Payments.

ALD is a franchisor and leak detection services are delivered not only by corporate-operated locations but also by ALD's franchise System. Franchisees are independently owned and operated.

The franchise System has the following characteristics for revenue recognition. ALD sells franchises to third parties. A franchise is an exclusive territory in which a franchisee is authorized to deliver ALD services, mainly leak detection and repair. ALD headquarters provides training and advice to support the delivery of services by franchisees.

The franchise sale is documented by means of a ten-year license agreement that is renewable for ten-year increments based on certain conditions derived from franchisee performance. The agreement has three main components. First, the agreement provides for the payment of an upfront fee in exchange for the exclusive territory and training. The upfront fee is non-refundable. ALD revenue is recognized with respect to most of the upfront fee at the Closing of the franchise sale. The remaining portion of the upfront fee is recognized as revenue over time using a straight-line method to reflect the delivery of franchisor services over the ten-year period. Second, the franchise agreement provides that the franchisee may purchase proprietary equipment from ALD and more general equipment from ALD-approved third parties. There is a price book. ALD revenue is recognized upon the delivery of equipment to franchisees and an invoice for the equipment. Third, in accordance with the franchise license agreement, each franchise pays a royalty fee to ALD each month based on a percentage of the franchisee's gross sales for that month. Each month, a franchise files a royalty report and pays the royalty amount. ALD revenue is recognized upon the receipt of the royalty report.

In respect of the sale of franchise territories, the Group will monitor on an ongoing basis the correct apportionment for each such sale between recognition of upfront fees and fees which are deferred over the length of the franchise agreement. This year such sales were not a material part of the Group's revenue or income.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Investments in equity instruments are initially designated at FVTOCI and are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, including interest rate swaps.
Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Loans and receivables
Trade receivables, loans, and other receivables held with the objective to collect the contractual cash flows are classified as subsequently measured at amortised cost. These are initially measured at fair value plus transaction costs. At each period end, there is an assessment of the expected credit loss in accordance with IFRS 9, with any increase or reduction in the credit loss provision charged or released to other selling and administrative expenses in the statement of comprehensive income.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group always recognises lifetime ECLs for trade receivables and contract assets. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Financial liabilities
Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Equity instruments
An equity instrument is any instrument with a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments (ordinary shares) are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Property, plant and equipment
All property, plant and equipment is stated at cost less accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and displays:	5 to 7 years
Motor vehicles:	5 years
Leasehold improvements:	7 years or lease term, whichever is shorter

The asset's residual values and economic lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are no longer of economic use to the business are retired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement.

Goodwill
Goodwill represents the excess of the fair value of the consideration over the fair values of the identifiable net assets acquired.

Goodwill arising on acquisitions is not subject to amortisation but is subject to annual impairment testing. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and not subsequently reversed.

Other intangible assets
Intangible assets are recorded as separately identifiable assets and recognised at historical cost less any accumulated amortisation. These assets are amortised over their definite useful economic lives on the straight-line method.

Amortisation is computed using the straight-line method over the estimated definite useful lives of the assets as follows:

	Years
Covenants not to compete	1-6
Customer lists	5
Salesforce CRM platform	5
Trademarks	20
Patents	10
Product development	4

Any amortisation is included within administrative expenses in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The asset's residual values and economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the Statement of Comprehensive Income.

Research and development
Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled.

- It is technically feasible to complete the intangible asset so that it will be available for use or resale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible;
- It can be demonstrated how the intangible asset will generate possible future economic benefits;
- Adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense in the period incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are amortised from the point at which they are ready for use on a straight-line basis over the asset's estimated useful life.

Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments.

Impairment reviews
Assets that are subject to amortisation and depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Assets that are not subject to amortisation and depreciation are reviewed on an annual basis at each year end and, if there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. Any impairment loss arising from the review is charged to the Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

Share based payments
The Group has made share-based payments to certain Directors and employees and to certain advisers by way of issue of share options. The fair value of these payments is calculated either using the Black Scholes option pricing model or by reference to the fair value of any fees or remuneration settled by way of granting of options. The expense is recognised on a straight-line basis over the period from the date of award to the date of vesting, based on the best estimate of the number of shares that will eventually vest.

Critical accounting estimates and judgements
The preparation of Financial Statements in conformity with UK adopted International Accounting Standards requires the use of judgements together with accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of current

events and actions, the resulting accounting treatment estimates will, by definition, seldom equal the related actual results.

The key judgements in respect of the preparation of the financial statements are in respect of the accounting for acquisitions, determination of separately identifiable assets on acquisition, the determination of cash generating units, the evaluation of segmental information, the evaluation of whether there is any indication of any impairment in investments, intangibles, goodwill or receivables and whether deferred tax assets should be recognized for tax losses.

The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the fair value of assets arising on acquisition (see note 12), carrying value of the goodwill, the carrying value of the other intangibles (see note 13) and the carrying value of the investments. Please see relevant notes for these areas.

4 Segmental Information

In the opinion of the Directors, the operations of the Group currently comprise five operating segments, being (i) Franchise royalty income, (ii) Franchise-related activities (including product and equipment sales, business-to-business sales and sales of franchises), (iii) US corporate operated locations, (iv) International corporate operated locations and (v) Head office costs. Information reported to the Group's Chief Operating Decision Maker (being the Executive Chairman), for the purpose of resource allocation and assessment of division performance is now separated into the four income generating segments (items (i) to (iv)), and items that do not fall into these segments have been categorized as unallocated head office costs (v).

The Group mainly operates in the US, with operations in the UK and certain other countries especially Ireland, Canada and Australia. No single customer accounts for more than 10% of the Group's total external revenue.

The following is an analysis of the Group's revenues and profits from operations and assets by business segment.

Revenue	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
Franchise royalty income	6,503,134	6,738,816
Franchise related activities	10,665,512	11,163,422
US corporate operated locations	55,854,674	50,459,736
International corporate operated locations	10,268,329	7,612,578
Total	83,291,649	75,974,552

Profit/(Loss) before tax	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
Franchise royalty income	2,296,003	2,156,421
Franchise related activities	870,187	925,126
US corporate operated locations	10,005,806	8,411,622
International corporate operated locations	(601,899)	443,180
Unallocated head office costs	(5,684,612)	(4,627,640)
Net Non-core costs*	(529,000)	(1,069,322)
Total	6,356,485	6,239,387

***Includes Irish acquisition consideration deemed remuneration under IFRS 3**

Assets	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Franchise royalty income	26,022,309	24,761,073
Franchise related activities	3,142,406	3,028,788
US corporate operated locations	68,349,942	52,394,708
International corporate operated locations	17,140,342	16,460,857
Total	114,654,999	96,645,426

Amortisation	Year ended 31 December 2024 $	Year ended 31 December 2023 $
US corporate operated locations	832,111	797,292
International corporate operated locations	22,767	44,224
Total	854,878	841,516

Depreciation	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Franchise royalty income	-	-
Franchise related activities	-	-
US corporate operated locations	3,914,731	3,185,141
International corporate operated locations	653,675	560,632
Total	4,568,406	3,745,773

Finance Expense	Year ended 31 December 2024 $	Year ended 31 December 2023 $
US corporate operated locations	591,128	716,739
International corporate activities	48,691	15,603
Unallocated head office costs	1,051,081	911,636
Total	1,690,900	1,643,978

Geographic Information

As noted herein, the Group has two wholly-owned subsidiaries – ALD and WII. ALD, the Group's core business, has US franchise-operated and corporate-operated locations and international franchises in Australia and Canada. Meanwhile, WII has corporate-operated activities outside the US. We may also regroup the same information into US and Outside the US to capture the Group's effort to be multinational company. For 2024, outside the US sales have grown 35% to $10.3 million (2023: $7.7 million). Sales in the US have grown 7% to $72.9 million (2023: $68.3 million). The percentage of Outside the US sales to total sales has increased to 12.5% (2023: 10%).

Total Revenue

	Year ended 31 December 2024			Year ended 31 December 2023		
	US	**International**	**Total**	**US**	**International**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Franchise royalty income	6,407,529	95,605	6,503,134	6,638,442	100,374	6,738,816
Franchise related activities	10,665,512	-	10,665,512	11,163,422	-	11,163,422
US Corporate owned Stores	55,854,674	-	55,854,674	50,459,736	-	50,459,736
International corporate activities	-	10,268,329	10,268,329	-	7,612,578	7,612,578
Total	72,927,715	10,363,934	83,291,649	68,261,600	7,712,952	75,974,552

5 Expenses by nature

The Group's operating profit has been arrived at after charging:

	Note	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Raw materials and consumables used		6,215,909	4,178,795
Employee costs	6	34,063,811	30,530,324
Depreciation charge		4,568,406	3,745,773
Amortisation charge		854,878	841,516
Marketing costs		217,292	216,257
R&D		-	-
Foreign exchange loss		7,599	4,561

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Auditors remuneration		
Fees payable to the Company's auditor for audit of Parent Company and Consolidated Financial Statements	98,000	72,000
Fees payables to the Company's auditor for other services (assurance related services)	-	-

The Group auditors are not the auditors of the US subsidiary companies. The fees paid to the auditor of the US subsidiary companies were $206,800 (2023: $161,478) for the audit of these companies and $50,000 (2023: $34,483) for other services.

6 Employees and Directors

The Employees and Directors of the Company contribute to the execution and management of the business.

	Year ended 31 December 2024	Year ended 31 December 2023
Short-Term employee benefits		
Directors fees, salaries and benefits	697,675	663,000
Employee wages and salaries	30,261,722	26,923,972
Employer payroll taxes	2,725,071	2,371,382
Long-Term employee benefits		
Share based payments	379,343	571,970
	34,063,811	30,530,324

Information regarding Directors' emoluments are as follows:

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Directors' fees, salaries and benefits	697,675	663,000
Employer payroll taxes	22,564	20,857
	720,239	683,857

The highest paid Director (Executive) received emoluments of $645,250 (2023: $595,000).

* In lieu of cash compensation, to be added to the above table, all of the directors received a combination of stock options awards and fully paid-up shares except for Bobby Knell who received an amount of cash in each year specified in the Director's Report.

With respect to 2023, for 1H directors received an amount of options awarded on 7 July 2023 at an exercise price of $6.35: P DeSouza $19.9k, L Hills $19.9k, D Ewell $39.9k, B Knell $19.9k, M Reisman $19.9. For 2H 2023, as announced on 15 February 2024, certain directors were issued fully paid-up Ordinary Shares instead of options: P. DeSouza $37.5k; L. Hills $37.5k; D.Ewell $37.5k, D. Meckley $10k.

In 2025 it was agreed that P.DeSouza, L.Hills and D.Ewell will receive all of their 2024 compensation ($50k each) in Ordinary Shares; B. Knell received $20k in cash and $20k in Ordinary Shares; P.Meckley received $40k in Ordinary Shares.

The average number of employees (including Directors) in the Group during the year was:

	Year ended 31 December 2024	Year ended 31 December 2023
Directors (executive and non-executive)	5	5
Management	57	55
Field Services	338	305
Franchise Support	19	19
Administration	107	98
	526	482

7 Share options

The Company grants share options at its discretion to Directors, management and advisors. These are accounted for as equity settled options. Should the options remain unexercised after a period of ten years from the date of grant the options will expire unless an extension is agreed to by the Board. Options are exercisable at a price equal to the Company's quoted market price on the date of grant or an exercise price to be determined by the Board.

Details for the share options and warrants granted, exercised, lapsed and outstanding at the year-end are as follows:

	Number of share options 2024	Weighted average exercise price ($) 2024	Number of share options 2023	Weighted average exercise price ($) 2023
Outstanding at beginning of year	2,773,000	6.15	2,228,000	6.02
Granted during the year	200,000	7.47	545,000	6.70
Forfeited/lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at end of the year	2,973,000	6.24	2,773,000	6.15
Exercisable at end of the year	1,612,500	4.19	1,102,500	3.52

Fair value of share options

During the year, the Group granted 200,000 Share Options pursuant to an acquisition of a franchise, with exercise prices ranging from £5.00 to £6.60 ($6.25 to $10.00).

The fair value of options granted during the current year has been calculated using the Black Scholes model which has given rise to fair values per share ranging from $0.85 to $1.51. This is based on risk-free rate of 4.22% and volatility of 43.6%.

The Black Scholes calculations for the options granted during the year resulted in a charge of $379,343 (2023: $571,970) which has been expensed in the year.

The weighted average remaining contractual life of the share options as at 31 December 2024 was 5.5 years (2023: 6.1 years).

Option arrangements that exist over the Company's shares at year end and at the time of the report are summarised below:

Grant	At report date	2024	2023	Date of Grant	Exercise price	Exercise period From	To
ALDHC Plan	67,500	67,500	67,500	01/12/2013	$1.14	01/12/2013	01/12/2026
2013 Directors	100,000	100,000	100,000	01/08/2013	$1.30	01/08/2013	01/08/2026
2015 Options	117,500	117,500	117,500	08/06/2015	$0.67	08/06/2015	08/06/2026
2016 Directors	100,000	100,000	100,000	13/06/2016	$1.26	13/06/2016	13/06/2026
2016 Employee	25,000	25,000	25,000	19/12/2016	$1.24	19/12/2019	19/12/2026
2016 Employee	82,500	82,500	82,500	19/12/2016	$1.56	19/12/2019	19/12/2026
2018 Acquisition	135,000	135,000	135,000	06/03/2018	$3.15	06/03/2021	06/03/2028
2019 Employee	425,000	425,000	425,000	04/04/2019	$6.24	04/04/2023	04/04/2029
2019 Acquisition	50,000	50,000	50,000	04/04/2019	$4.59	04/04/2023	04/04/2029
2020 Employee	485,000	485,000	485,000	31/07/2020	$5.60	31/07/2024	31/07/2030
2020 Acquisition	25,000	25,000	25,000	30/09/2020	$6.20	30/09/2024	30/09/2030
2021 Acquisition	45,500	45,500	45,500	01/01/2021	$6.80	01/01/2025	01/01/2031
2021 Directors	300,000	300,000	300,000	15/03/2021	$10.40	15/03/2025	15/03/2031
2021 Acquisition	100,000	100,000	100,000	20/04/2021	$11.38	20/04/2025	20/04/2031
2021 Acquisition	75,000	75,000	75,000	01/07/2021	$12.56	01/07/2025	01/07/2031
2022 Acquisition	20,000	20,000	20,000	31/05/2022	$10.30	31/05/2026	31/05/2032
2022 Acquisition	75,000	75,000	75,000	30/06/2022	$12.50	30/06/2026	30/06/2032
2023 Directors	105,000	105,000	105,000	06/02/2023	$8.18	06/02/2027	06/02/2033
2023 Directors	90,000	90,000	90,000	04/07/2023	$6.35	04/07/2027	04/07/2033
2023 Employee	350,000	350,000	350,000	04/07/2023	$6.35	04/07/2027	04/07/2033
2024 Acquisition (1)	100,000	100,000		01/11/2024	$6.25	01/11/2028	01/11/2034
2024 Acquisition (1)	35,000	35,000		01/11/2024	$7.50	01/11/2028	01/11/2034
2024 Acquisition (1)	35,000	35,000		01/11/2024	$8.75	01/11/2028	01/11/2034
2024 Acquisition (1)	30,000	30,000		01/11/2024	$10.00	01/11/2028	01/11/2034
Total	**2,973,000**	**2,973,000**	**2,773,000**				

All share options are equity settled on exercise. The amounts at the Report Date reflect all share options that have been either exercised or forfeited.

(1) On 1 November 2024 options to purchase 200,000 New Ordinary Shares at prices ranging from $6.25 to $10.00 were granted pursuant to an acquisition. These options have a four-year vesting requirement.

8 Finance income

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Interest income	395,729	699,819

9 Finance expense

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Interest expense	1,487,365	1,453,399
Interest on lease liabilities	203,535	190,579
Total interest expense	1,690,900	1,643,978

10 Taxation

Group	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Current tax:		
Current tax on profits in the year	1,055,201	875,062
Adjustment in respect of prior year	(21,772)	23,045
Total current tax	1,033,429	898,107
Deferred tax current year	539,061	707,478
Deferred tax prior year	-	-
Deferred tax expense (note 20)	539,061	707,478
Income tax expense	1,572,490	1,605,585

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Profit before tax on ordinary activities	6,356,485	6,239,387
Tax calculated at domestic rate applicable profits in respective countries (2024: 17% versus 2023: 17%)	1,102,029	1,037,228
Tax effects of:		
Non-deductible expenses	99,255	188,271
Other tax adjustments, reliefs and transfers	(5,126)	(22,278)
State taxes net of federal benefit	391,074	359,308
Adjustment in respect of prior year	(21,772)	23,045
Changes in rates	7,030	20,011
Taxation expense recognized in income statement	1,572,490	1,605,585

The Group is subject to income taxes in multiple jurisdictions. Judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

As also set forth, in Note 20, at the balance sheet date, the Group's UK trading operations had unused tax losses of £2,940,544 (2023: £3,830,192) available for offset against future profits. £735,136 (2023: £957,548) represents unrecognized deferred tax assets thereon at 25%. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

The effective rate across all jurisdictions for tax for 2024 is 17% (2023: 17%).

11 Earnings per share

The profit per share has been calculated using the profit for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

Basic

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Profit for the year attributable to equity holders of the Parent ($)	4,680,130	4,398,681
Weighted average number of ordinary shares	17,391,205	17,358,688
Diluted weighted average number of ordinary shares	17,825,495	17,833,235
Profit per share (cents)	26.9	25.3
Diluted profit per share (cents)	26.3	24.7

12 Acquisitions

These can be summarised as follows:

On 9 May 2024, the Group announced the reacquisition of its Fresno, California franchise territory within the Group's ALD franchise business. As Fresno is located between the Bay Area and Los Angeles in the Central Valley of California, the reacquisition reinforces the Group's strategy of establishing regional corporate hubs in the US that fuel growth in adjacent franchise locations. The cash consideration for the acquisition is $2.9 million based on 2023 revenue of $1.8 million, adjusted profit before tax of $0.6 million and the transfer of all operating assets to the Group.

On 9 July 2024, the Group announced the acquisition of Feakle Gas and Plumbing Limited, a company operating in Ireland ("FG&P") by the Group's Water Intelligence International ("WII") subsidiary. The transaction is structured as a purchase of 100% of the issued share capital of FG&P by Water Intelligence Leak Detection and Repair, WII's Irish subsidiary. The purchase price of €2.32 million in cash is based on the FG&P's 2023 Accounts of €3.7 million in sales and adjusted operating profits of €550,000. The purchase price is risk-adjusted by being structured as a four-year earnout with incentives for strong growth of both revenue and profits above the baseline 2023 Accounts. In order to preserve the value of Goodwill and Customer Relationship acquired, a seller is required to remain in the business for the duration of the earn-out in order to receive the consideration. IFRS 3 deems such consideration as remuneration. The initial consideration for FG&P is €500,000 plus payments in each of the next four years of €435,000 based on a minimum operating profit in each of the next four years of €425,000. A further €75,000 payment will be made based on additional sales of €650,000 from delivering municipal, commercial and residential solutions offered by WII. Such additional sales are new business lines separate from the core FG&P business and geared to be synergistic with WII's expansion, such as with respect to deploying Pulse, WII's proprietary sewer diagnostic product.

On 4 November 2024, the Group announced the reacquisition of its Dallas, Texas franchise territory within the Group's ALD franchise business. Strategically there are significant operating synergies between the Dallas location and ALD's neighboring corporate-operated location in Fort Worth, Texas. Integration of both operations will create cost savings. Moreover, in terms of future revenue growth and scale, the Dallas-Fort Worth metroplex is expected to rival New York and Los Angeles in size and concentration of disposable income by 2030. The transaction involves consideration of both cash and stock options. $12 million in cash is spread through 2027 and based on performance of $2.3 million in adjusted profits for 2027. $5 million was paid at Closing based on a trailing twelve months pro forma of $6 million in sales and $1.0 million in adjusted profits. $2.5 million is scheduled to be paid in 2025 based on a pro forma with increasing profit before tax. Options for 200,000 ordinary shares are issued in amounts and at exercise prices as follows: 100,000 at $6.25 per share; 35,000 at $7.50 per share; 35,000 at $8.75 per share; and 30,000 at $10.00 per share respectively and vest over 4 years. The purchase price includes all assets required to conduct operations, including trucks and equipment.

Net sales from the date of acquisition through December 31, 2024 attributable to these acquisitions was approximately $4,395,533. Net income from the date of acquisition through December 31, 2024 attributable to these acquisitions was approximately $785,783.

Fresno:	Sales $ 976,639, net income $247,746
High Desert:	Sales $ 67,710, net income $38,239
Lafayette:	Sales $ 255,863, net income $19,930
Feakle:	Sales $2,328,279, net income $221,269
Dallas:	Sales $ 767,042, net income $258,598

It is not feasible to obtain revenue and net income that would have been included if the full year was consolidated.

2024 Acquisitions

	Feakle	Fresno	High Desert	Lafayette	Dallas	Adjustment	Totals
	$	$	$	$	$	$	$
Fair value of assets and liabilities acquired							
Equipment	37,267	60,620	30,750	47,884	67,540	-	244,061
Vehicles	114,804	34,422	5,522	108,810	292,809	-	556,367
Non-compete	-	55,000	-	55,000	80,000	-	190,000
Customer List	642,882	-	-	-	-	-	642,882
Deferred tax liability	(80,360)	-	-	-	-	-	(80,360)
Assets	914,496	-	-	-	-	-	914,496
Liabilities	(263,534)	-	-	(152,223)	(120,015)	-	(535,772)
Net assets acquired	1,365,555	150,042	36,272	59,471	320,334	-	1,931,674
Consideration							
Cash	571,246	2,000,000	185,000	525,000	3,801,890	-	7,083,136
Note payable	437,845	900,000	-	51,096	3,608,095	-	4,997,036
Contingent consideration	-	-	-	-	4,511,863	-	4,511,863
Stock Options	-	-	-	-	255,962	(67,286)	188,676
Total consideration	1,009,091	2,900,000	185,000	576,096	12,177,810	(67,286)	16,780,711
Intangible assets arising on acquisition (see note 13)	-	2,749,958	148,728	516,625	11,857,476	(67,286)	15,205,501
Gain on acquisition	(356,464)	-	-	-	-	-	(356,464)

The intangible assets arising on the above acquisitions of $15,205,501 are included in additions to goodwill and indefinite life intangible assets for owned & operated stores (see note 13).

Following acquisitions all Franchises are classed as one cash generating unit therefore cannot separately disclose revenue and profit for each individual franchise.

2023 Acquisitions

	Nashville	Covina	Pittsburgh	Western Colorado	Evergreen Plumbing	Totals
	$	$	$	$	$	$
Fair value of assets and liabilities acquired						
Equipment	176,824	66,750	53,995	26,750	15,425	339,744
Vehicles	256,392	96,110	22,302	-	24,575	399,379
Non-compete	30,000	-	30,000	60,000	60,000	180,000
Liabilities / Other	(200,154)	-	-	-	-	(200,154)
Net assets acquired	263,062	162,860	106,297	86,750	100,000	718,969
Consideration						
Cash	2,125,000	1,500,000	363,500	150,000	65,000	4,203,500
Note payable	1,125,000	-	150,000	-	65,000	1,340,000
Total consideration	3,250,000	1,500,000	513,500	150,000	130,000	5,543,500
Intangible assets arising on acquisition (see note 13)	2,986,938	1,337,140	407,203	63,250	30,000	4,824,531

The amount of deferred consideration for 2024 acquisitions as well as the remaining deferred consideration for acquisitions made in 2018, 2019, 2020, 2021, 2022 and 2023 can be summarized as follows:

Current	**Year acquired**	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
South Florida	2018	-	29,831
Tucson	2019	-	48,468
San Jose	2020	-	51,074
Seattle	2020	75,000	-
Las Vegas and Phoenix	2021	-	1,862,802
Daytona	2021	-	150,000
Fort Worth	2022	-	1,270,000
Nashville	2023	-	1,125,000
Pittsburgh	2023	-	150,000
Evergreen Plumbing	2023	-	65,000
Fresno	2024	900,000	-
Lafayette	2024	51,096	-
Dallas	2024	2,751,969	-
Total current deferred consideration		3,778,065	4,752,175

Non-Current	**Year acquired**	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
South Florida	2018	-	59,510
Tucson	2019	-	-
San Jose	2020	-	21,313
Seattle	2020	-	300,000
Las Vegas and Phoenix	2021	-	1,976,251
Daytona	2021	-	-
Fort Worth	2022	-	1,275,000
Dallas	2024	5,332,269	-
Total non-current deferred consideration		5,332,269	3,632,074

13 Intangible assets

The calculation of amortisation of intangible assets requires the use of estimates and judgement, related to the expected useful lives of the assets.

An impairment review is undertaken annually or whenever changes in circumstances or events indicate that the carrying amount may not be recovered.

Goodwill

Group	Goodwill Acquisitions	Goodwill relating to Owned & Operated stores	Goodwill on franchisor activities	Totals
	$	$	$	$
Cost				
At 1 January 2023	11,234,627	34,676,563	636,711	46,547,901
Additions	-	4,824,531	-	4,824,531
At 31 December 2023	11,234,627	39,501,094	636,711	51,372,432
Additions (see note 12)	-	15,205,501	-	15,205,501
At 31 December 2024	11,234,627	54,706,595	636,711	66,577,933
Impairment				
At 1 January 2023	1,506,229	75,000	-	1,581,229
Impairment in year	-	-	-	-
At 31 December 2023	1,506,229	75,000	-	1,581,229
Impairment in year	-	-	-	-
At 31 December 2024	1,506,229	75,000	-	1,581,229
Carrying amount				
At 31 December 2023	9,728,398	39,426,094	636,711	49,791,203
At 31 December 2024	9,728,398	54,631,595	636,711	64,996,704

The increase in carrying value of Goodwill Acquisitions at 31 December 2024 relate to goodwill additions arising on the acquisitions outlined in Note 12 above during 2024.

Goodwill on owned & operated stores comprises legacy owned stores together with additions arising from reacquisitions of franchise operations from 2015 through 2024. Details on additions in 2024 can be found in note 12 above.

Where appropriate consideration of separately identifiable intangible assets has been considered in the evaluation of the fair value of assets acquired and the determination of the fair value of goodwill arising. For the acquisitions in 2015 - 2024 relating to the reacquisition of franchises, it is considered that the value being attributed to the purchase consideration relates to the synergies with surrounding franchises, obtaining wider geographical coverage directly within the Group, the focus to seize potential opportunity within a wider business strategy for revenue and earnings growth and the ability to expand new service offerings. Where appropriate, consideration of separate intangibles, such as covenants not to compete, are evaluated.

There is no separately identified intangible considered to arise from the customer list of a franchise reacquired given the terms of the franchise agreement and on that these customers continue to be customers of the Group's products and services before and after the reacquisition.

An impairment review is undertaken annually or whenever changes in circumstances or events indicate that the carrying amount may not be recovered. For the purpose of impairment testing, goodwill or indefinite life intangible assets are allocated to appropriate cash generating units which can be summarised as follows:

Goodwill on Acquisitions is allocated to separate cash generating units.

Goodwill or indefinite life intangible assets on owned & operated stores is allocated to cash generating units that are expected to benefit from the synergies of the combination.

Goodwill on Franchisor Activities is considered to be related to a single cash generating unit by reference to revenues and activities derived from the franchise royalty income and franchise related activities segments (see note 4).

The cash generating units to which goodwill or indefinite life intangible assets have been allocated are tested for impairment annually. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not recovered in a subsequent period.

The key assumptions/inputs used for the impairment assessment based on the forecast cash flow and revenues for 2024 were as follows:

	%
Pre-tax Discount rate	15
Short term revenue growth	5
Long term revenue growth	3.5
Tax rate	25
Discount rate sensitivity step	2
Perpetual growth rate sensitivity step	1

This has resulted in no material impairment charge being required in 2024 (2023: $nil).

Based upon the sensitivity analysis had the estimated discount rate used been 2% higher and the perpetual revenue growth rate used been 1% lower in these calculations the Group would still not have incurred any material impairment for any of the categories of goodwill or indefinite life intangible assets.

13 Intangible assets continued

Other Intangible assets table

	Product development $	Covenants not to compete $	Customer Lists $	Trademarks $	Patents $	Salesforce $	Enterprise Solution Development $	Total $
Cost								
At 1 January 2023	1,113,409	893,315	705,568	5,233,817	134,908	3,316,304	102,000	11,499,322
Additions	3,370,700	180,000	-	-	-	-	-	3,550,700
Completed development	(888,232)	-	-	-	-	-	-	(888,232)
Reallocation	1,590,583	-	-	-	-	(1,590,583)	-	-
Disposals	-	(7,164)	-	-	-	(167,513)	-	(174,677)
At 31 December 2023	5,186,460	1,066,151	705,568	5,233,817	134,908	1,558,208	102,000	13,987,113
Additions	3,813,954	190,000	642,882	-	-	-	-	4,646,836
Disposals	-	(101,553)	-	-	-	-	-	(101,553)
At 31 December 2024	9,000,414	1,154,598	1,348,450	5,233,817	134,908	1,558,208	102,000	18,532,396
Accumulated amortisation								
At 1 January 2023	-	252,819	158,311	4,405,131	14,321	609,005	40,375	5,479,962
Amortisation expense	-	195,481	38,181	261,691	9,021	311,642	25,500	841,516
Disposals	-	(7,164)	-	-	-	(167,513)	-	(174,677)
Exchange differences	-	182	-	-	(28)	-	-	155
At 31 December 2023	-	441,318	196,492	4,666,822	23,314	753,134	65,875	6,146,956
Amortisation expense	-	208,808	38,181	261,691	9,056	311,642	25,500	854,878
Disposals	-	(101,553)	-	-	-	-	-	(101,553)
Exchange differences	-	112	-	-	(62)	-	-	50
At 31 December 2024	-	548,685	234,673	4,928,513	32,308	1,064,776	91,375	6,900,331
Carrying amount								
At 31 December 2023	5,186,460	624,833	509,076	566,995	111,594	805,074	36,125	7,840,157
At 31 December 2024	9,000,414	605,913	1,113,777	305,304	102,600	493,432	10,625	11,632,065

All intangible assets have been acquired by the Group.

The calculation of amortisation of intangible assets requires the use of estimates and judgement, related to the expected useful lives of the assets.

An impairment review is undertaken annually or whenever changes in circumstances or events indicate that the carrying amount may not be recovered.

14 Property, plant and equipment

	Equipment & displays $	Motor Vehicles $	Leasehold Improve m-ents $	Buildings $	Right of Use Vehicles $	Right of Use Offices $	Total $
Cost							
At 1 January 2023	**5,732,225**	**4,745,181**	**72,820**	**148,905**	**3,801,787**	**2,402,944**	**16,903,863**
Additions	796,986	2,449,710	-	-	-	1,115,204	4,361,900
Capitalised costs	888,232	-	-	-	-	-	888,232
Purchase ROU Vehicles	-	517,540	-	-	(517,540)	-	-
Exchange differences	33,502	25,336	-	(66)	1,143	5,688	65,603
Disposals	(2,000)	(380,208)	-	(148,839)	(19,048)	(514,782)	(1,064,878)
At 31 December 2023	**7,448,945**	**7,357,559**	**72,820**	**-**	**3,266,342**	**3,009,054**	**21,154,720**
Acquired on acquisition of subsidiary	81,800	169,369	-	-	-	-	251,169
Additions	871,274	2,965,877	839,843	-	-	2,756,189	7,433,183
Purchase ROU Vehicles	-	318,027	-	-	(318,027)	-	-
Exchange differences	(60,099)	(90,269)	-	-	(3,599)	(29,612)	(183,579)
Disposals	(43,539)	(494,616)	(68,672)	-	(28,769)	(1,542,361)	(2,177,956)
At 31 December 2024	**8,298,382**	**10,225,947**	**843,991**	**-**	**2,915,947**	**4,193,270**	**26,477,537**
Accumulated depreciation							
At 1 January 2023	**2,893,168**	**2,385,670**	**47,855**	**64,613**	**1,408,865**	**878,738**	**7,678,909**
Eliminated on disposals	(233)	(267,409)	-	(66,749)	(19,048)	(493,226)	(846,665)
Purchase ROU Vehicles	-	458,495	-	-	(458,495)	-	-
Depreciation expense	1,069,236	952,173	15,117	2,174	742,943	964,130	3,745,773
Exchange differences	24,061	13,408	-	(38)	946	191	38,568
At 31 December 2023	**3,986,232**	**3,542,337**	**62,972**	**-**	**1,675,211**	**1,349,833**	**10,616,585**
Acquired on acquisition of subsidiary	44,533	54,564	-	-	-	-	99,097
Eliminated on disposals	(43,539)	(295,227)	(67,527)	-	(17,623)	(1,263,525)	(1,687,441)
Purchase ROU Vehicles	-	318,027	-	-	(318,027)	-	-
Depreciation expense	1,208,152	1,456,886	81,103	-	646,475	1,175,790	4,568,406
Exchange differences	(46,488)	(53,621)	-	-	(3,217)	(6,799)	(110,125)
At 31 December 2024	**5,148,891**	**5,022,966**	**76,548**	**-**	**1,982,818**	**1,255,298**	**13,486,522**
Carrying amount							
At 31 December 2023	**3,462,713**	**3,815,222**	**9,848**	**-**	**1,591,131**	**1,659,221**	**10,538,135**
At 31 December 2024	**3,149,491**	**5,202,981**	**767,443**	**-**	**933,129**	**2,937,972**	**12,991,015**

Included within additions are additions of $648,357 (2023: $739,123), which were acquired on the acquisition of franchises.

15 Investment in subsidiary undertakings

Company	Subsidiary Undertakings $
Cost	
At 31 December 2023	13,395,251
Exchange difference	(90,643)
At 31 December 2024	13,304,608
Impairment	
At 31 December 2023	6,400,906
Exchange difference	-
At 31 December 2024	6,400,906
Carrying amount	
At 31 December 2023	6,994,345
At 31 December 2024	6,903,702

The Directors annually assess the carrying value of the investment in the subsidiary and in their opinion no further impairment provision is currently necessary. See notes 12 and 13 for the assumptions and sensitivities in assessing the carrying value of the goodwill and acquired intangible assets that underpins the varying value of the investments.

The net carrying amounts noted above relate to the US incorporated subsidiaries.

The subsidiary undertakings during the year were as follows:

	Registered office address	Country of incorporation	Interest held %
Water Intelligence International Limited* (leak detection products and services)	27-28 Eastcastle Street, London, United Kingdom, W1W 8DH	England and Wales	100%
Wat-er-save Services Limited	Agriculture house, Acland Rd, Dorchester DT1 1EF		100%
Water Intelligence Australia Pty	1 Farrer Place, Sydney, NSW 2000	Australia	100%
Feakle Gas and Plumbing Limited	Unit 1, The Old Creamery, Feakle, County Clare, V94 N727	Ireland	100%
American Leak Detection Holding Corp. (holding company of ALD Inc.) *	199 Whitney Avenue, New Haven, Connecticut 06511 US	US	100%
American Leak Detection, Inc. (leak detection product and services)	199 Whitney Avenue, New Haven, Connecticut 06511 US	US	100%
Canadian Leak Detection, Inc.	8-4696 Bartlette Rd. Beamsville, Ontario L0R 1B1	Canada	100%
Colorado ALD LLC	199 Whitney Avenue, New Haven, Connecticut 06511 US	US	51%
American Leak Detection Irrigation, Inc	199 Whitney Avenue, New Haven, Connecticut 06511 US	US	75%
Qonnectis Group Limited (dormant)	27-28 Eastcastle Street, London, United Kingdom, W1W 8DH	England and Wales	100%
NRW Utilities Limited (Dormant)	27-28 Eastcastle Street, London, United Kingdom, W1W 8DH	England and Wales	100%

* Subsidiaries owned directly by the Parent Company. These subsidiaries – WII and ALDHC – represent the two principal business lines of the Parent Company. Wat-er-save, Water Intelligence

Australia, Feakle Gas and Plumbing, Canadian Leak Detection and American Leak Detection Inc. are also wholly-owned by the two principal subsidiaries respectively and indirectly owned by the Parent.

The Company's strategy involves acquisitions, especially of franchisees. Not all acquisitions are 100% owned. American Leak Detection also has a 51% stake in a former franchise located in Denver, Colorado. Finally, American Leak Detection owns 75% of the IntelliDitch subsidiary that was set up as part of the acquisition of IP assets from FastDitch in 2021.

16 Inventories

	Group	
	Year ended 31 December 2024 $	**Year ended 31 December 2023 $**
Group Inventories	930,439	723,315

During the year ended 31 December 2024, an expense of $9,795,324 (2023: $10,362,197) was recognized in the Consolidated Statement of Comprehensive Income, including business to business expenses of $9,243,378 (2023: $9,677,633). There has been no write down of inventories during 2024.

17 Trade and other receivables

	Group		Company	
	Year ended 31 December 2024 $	**Year ended 31 December 2023 $**	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
Trade notes receivable	250,500	207,990	-	-
Due from Group undertakings	-	-	22,041,011	22,673,254

All trade notes receivables are due within five years from the end of the reporting period.

	Group		Company	
	Year ended 31 December 2024 $	**Year ended 31 December 2023 $**	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
Trade receivables	5,861,351	7,204,731	-	-
Prepayments	2,004,035	1,180,945	149,069	11,170
Prepaid taxes	1,583,930	850,007	-	-
Due from Group undertakings	-	-	5,676,348	4,609,607
Accrued royalties receivable	596,539	608,891	-	-
Trade notes receivable	103,552	209,716	-	-
Other receivables	522,892	717,435	-	-
Due from related party	262,518	291,528	-	-
Current portion	10,934,817	11,063,253	5,825,417	4,620,777

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Accrued royalties receivable are never reclassified to trade receivables as, should any royalties be withheld or unpaid, the Group has the right to take back the relevant franchise.

The average credit period taken on sales is 26 days (2023: 35 days).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
US Dollar	8,897,494	9,373,691
UK Pound	1,058,038	1,176,455
Euros	726,509	-
Australian Dollar	215,217	454,421
Canadian Dollar	37,559	58,686
	10,934,817	11,063,253

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

18 Cash and cash equivalents

	Group		Company	
	Year ended 31 December 2024 $	Year ended 31 December 2023 $	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Cash at bank and in hand	5,452,479	8,882,627	44,789	1,105,607
Cash with period over 90 days	6,683,089	6,875,250	-	-

19 Trade and other payables

	Group		Company	
	Year ended 31 December 2024 $	Year ended 31 December 2023 $	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Trade payables	1,796,579	1,401,653	548	4,642
Accruals and other payables	4,952,733	4,595,375	142,635	75,373
	6,749,312	5,997,028	143,183	80,015

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are payable within 3 months. The average credit period taken for trade purchases is 38 days (2023: 38 days).

20 Deferred Tax

The analysis of deferred tax liabilities is as follows:

Group	2024	2023
	$	$
Deferred	(3,212,788)	(2,618,605)

The movement in deferred tax liabilities is as follows:

2024	Opening balance	Recognized in the income statement	Recognized in Other Comprehensive Income	Recognized on acquisition	Closing balance
	$	$	$	$	$
Temporary differences:	-	-	-	-	-
Net operating profit (loss) (non-current)	-	-	-	-	-
Short term temporary differences	(2,618,605)	(539,061)	25,238	(80,360)	(3,212,788)
	(2,618,605)	(539,061)	25,238	(80,360)	(3,212,788)

2023	Opening balance	Recognized in the income statement	Recognized in Other Comprehensive Income	Recognized on acquisition	Closing balance
	$	$	$	$	$
Temporary differences:	-	-	-	-	-
Net operating profit (loss) (non-current)	-	-	-	-	-
Short term temporary differences	(1,915,581)	(707,478)	4,454	-	(2,618,605)
	(1,915,581)	(707,478)	4,454	-	(2,618,605)

Deferred tax recognized in OCI is purely related to the revaluation of the listed shares.

As also set forth, in Note 10, at the balance sheet date, the Group's UK trading operations had unused tax losses of £2,940,544 (2023: £3,830,192) available for offset against future profits. £735,136 (2023: £957,548) represents unrecognized deferred tax assets thereon at 25%. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

21 Share capital

The issued share capital in the year was as follows:

Group & Company

	Ordinary Shares Number	Shares held in treasury Number	Total Number
At 31 December 2023	17,358,688	129,000	17,487,688
At 31 December 2024	17,371,538	116,150	17,487,688

Group & Company

	Share capital $	Share premium $	Shares in Treasury $
At 31 December 2023	143,192	35,417,072	(1,139,404)
At 31 December 2024	143,192	35,417,072	(883,549)

The Group has ordinary B shares of 2,080,000 shares in 2024 and 2023. The ordinary shares and ordinary B shares have a par value of $0.01

Reverse acquisition reserve

The reverse acquisition reserve was created in accordance with IFRS3 Business Combinations and relates to the reverse acquisition of Qonnectis Plc by ALDHC in July 2010. Although these Consolidated Financial Statements have been issued in the name of the legal parent, the Company it represents in substance is a continuation of the financial information of the legal subsidiary ALDHC. A reverse acquisition reserve was created in 2010 to enable the presentation of a consolidated statement of financial position which combines the equity structure of the legal parent with the reserves of the legal subsidiary. Qonnectis Plc was renamed Water Intelligence Plc on completion of the reverse acquisition on 29 July 2010.

22 Lease liability

	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Lease liabilities in statement of financial position		
Amounts due within one year	1,519,823	1,394,147
Amount due after more than one year	2,543,042	2,025,653
	4,062,865	3,419,800
Amount recognized in the statement of comprehensive income		
Interest on leasehold liabilities	203,535	190,579
Amount recognized in the statement of cash flows		
Repayment of lease liabilities	1,823,143	1,715,978

23 Financial instruments

The Group has exposure to the following key risks related to financial instruments:

i. Market risk (including foreign currency risk management)
ii. Interest rate risk
iii. Credit risk
iv. Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated Financial Statements.

The Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below. Throughout the year ending 31 December 2024 no trading in financial instruments was undertaken (2023: none). The Group did enter into interest rate swap agreements as detailed in the derivatives section below.

The Group uses financial instruments including cash, loans, as well as trade receivables and payables that arise directly from operations.

Due to the simple nature of these financial instruments, there is no material difference between book and fair values. Discounting would not give a material difference to the results of the Group and the Directors believe that there are no material sensitivities that require additional disclosure.

Fair value of financial assets and financial liabilities

The estimated difference between the carrying amount and the fair values of the Group's financial assets and financial liabilities is not considered material.

Credit risk

The Group's principal financial assets are bank balances, cash, cash equivalents, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and cash and cash equivalents. Receivables are regularly monitored and assessed for recoverability. The Group has no significant concentration of credit risk as exposure is spread over a number of customers. As at 31 December 2024 the Group held significant cash and cash equivalents andwith 2 counterparties, 12.58% was held with one counterparty with a credit rating of A+ and a further 59.5% was held with another counterparty with a credit rating of BBB+.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the shared credit risk characteristics and the days past due. The expected loss rates are based on the historic payment profiles of sales and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information.

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of each reporting period.

As at 31 December 2024, trade receivables of $396,432 (2023: $1,137,671) were past due but not impaired. These relate to corporate store customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

Ageing of past due but not impaired receivables

	Year ended 31 December 2024 $	**Year ended 31 December 2023 $**
60-90 days	141,860	361,416
90+ days	254,572	776,255
	396,432	1,137,671
Average age (days)	95	95

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired. This is based on the Group's good historic track record of collection for all such receivables.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to limit credit risk on liquid funds through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the year-end was in respect of the past due receivables that have not been impaired are disclosed in note 17.

Categories of financial instruments

	Group		Company	
	Year ended 31 December 2024 $	Year ended 31 December 2023 $	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Loans and receivables				
Cash and cash equivalents	5,452,479	8,882,627	44,789	1,105,607
Investments	6,683,089	6,875,250	-	-
Trade and other receivables – current	10,934,817	11,063,253	5,825,417	4,620,777
Trade and other receivables – non-current	250,500	207,990	22,041,011	22,673,254
Financial Liabilities measured at amortised cost				
Trade and other payables	6,749,312	5,997,028	143,183	80,015
Borrowings – current	3,787,362	6,805,131	-	-
Borrowings – non-current	26,361,482	12,510,867	-	-
Deferred consideration – current	3,778,065	4,752,175	-	-
Deferred consideration – non-current	5,332,269	3,632,074	-	-

* Total deferred consideration includes $4.5 million in contingent amounts based on earn out.

Borrowings

Bank Debt
The Group has a commercial banking relationship with M&T Bank (M&T) with various facilities: a working capital line of credit ("WCL"); acquisition lines of credit ("ALOCs"), and term loans ("Term Loans").

In August of 2024, M&T provided a refinancing of $21,000,000 to pay off existing bank debt as well as other deferred consideration payments to previously acquired franchisees (M&T Refinancing). The new term loan (2024 Term Loan) matures in August 2029 and requires principal repayment of between 5 and 10% per year of the principal balance, and bears interest at a rate per annum equal to 3% plus SOFR. The 2024 Term Loan has a related swap agreement which matures at the same time as the underlying loan. The 2024 Term Loan is secured by substantially all of the assets of the Group.

In addition to the refinancing, M&T also expanded the credit capacity by providing an additional $3,000,000 ALOC (2024 ALOC) to the Group. The 2024 ALOC bears interest at a rate per annum equal to 2.85% plus SOFR. Any outstanding drawdowns convert into 5-year term notes and bear interest at a rate per annum equal to 3% plus SOFR. The New ALOC is secured by substantially all of the assets of the Group.

A $2,000,000 WCL is secured by substantially all of the assets of the Group. On December 5, 2023, the WCL was extended to a maturity date of December 5, 2025, and bore an annual variable interest rate equal to SOFR plus 3.00%. Monthly interest only payments are to be made on any unpaid balance. The balance outstanding at both December 31, 2024 and 2023 was $0.

M&T had previously provided the Group with various term loans and ALOC's at various dates in 2020, 2021, 2022, and 2023. All these facilities were paid off and included in the 2024 M&T Refinancing. The balance outstanding for these facilities at December 31, 2024 and 2023 was $0 and $14,662,520, respectively and is included within notes payable on the balance sheets.

The balance outstanding for the 2024 Term Loan and 2024 ALOC at December 31, 2024 was $23,650,000 and is included within notes payable on the balance sheet.

In connection with the M&T line of credit, ALOC, and term note facilities, the Group is required to comply with certain financial and non-financial covenants. The most restrictive of these covenants includes a debt service coverage ratio to be tested quarterly and a maximum total funded debt to EBITDA ratio minimum to be tested quarterly. The Group was in compliance with those requirements at December 31, 2024.

	Current		**Non-Current**	
Financial Instruments	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**	**Year ended 31 December 2024 $**	**Year ended 31 December 2023 $**
Working Capital Line of Credit	-	-	-	-
External borrowings	2,384,772	5,491,647	24,079,212	10,606,671
Less: Loan Closing Costs	(117,233)	(80,663)	(260,772)	(121,457)
Lease Liabilities	1,519,823	1,394,147	2,543,042	2,025,653
Total	3,787,362	6,805,131	26,361,482	12,510,867

Capital risk management

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable working capital, research and development commitments and strategic investment needs to be met and therefore to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only its short-term position but also its long term operational and strategic objectives.

The capital structure of the Group currently consists of cash and cash equivalents, short and medium term borrowings and equity comprising issued capital, reserves and retained earnings. Other than with respect to Bank Debt, the Group is not subject to any externally imposed capital requirements. See KPI on page 11.

Material accounting policies

Details of the significant accounting policies including the criteria for recognition, the basis of measurement and the bases for recognition of income and expense for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies (other than the functional currency of the Company and its UK operations, being £ Sterling), with exposure to exchange rate fluctuations. These transactions predominately relate to royalties receivable in the US denominated in currencies other than US$ being Canadian Dollars, Australian Dollars and Euro; royalties from such outside US sources in 2024 were $95,605 (2023: $100,374). No foreign exchange contracts were in place at 31 December 2024 (2023: Nil).

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities were:

	Group		Company	
	Year ended 31 December 2024 $	Year ended 31 December 2023 $	Year ended 31 December 2024 $	Year ended 31 December 2023 $
Assets				
Sterling, Euro, Australian and Canadian Dollars	3,542,691	3,736,952	27,911,217	28,399,637
Liabilities				
Sterling, Euro, Australian and Canadian Dollars	2,161,652	1,144,750	143,183	80,015

As shown above, at 31 December 2024 the Group had Sterling, Euro, Australian and Canadian denominated monetary current assets of $3,542,691 (2023: $3,736,952). If the foreign currency weakens by 10% against the US dollar, this would decrease net assets by $354,269 (2023: $373,695) with a corresponding impact on reported losses. Changes in exchange rate movements resulted in a loss from exchange differences on a translation of foreign exchange of $173,851 in 2024 (2023: gain of $199,826), resulting primarily from the share issuance from prior years in Pound Sterling and subsequent intercompany transfers accounted in US Dollars.

Interest rate risk management
The Group is potentially exposed to interest rate risk because the Group borrows and deposits funds at both fixed and floating interest rates. However, at the year end, the majority of borrowings are subject to fixed rates with only the WCL subject to variable rates. Borrowings for which there are interest rate swaps at year-end are $20,650,000 (2023: $10,949,543) and borrowings for which there are no interest rate swaps are $5,435,979 (2023: $4,946,654).

Interest rate sensitivity analysis

The gains/losses recorded by both the Group and the Company for the year ended 31 December 2024 would not materially change if market interest rates had been 1% higher/lower throughout 2024 and all other variables were held constant.

Liquidity risk management
Ultimate responsibility for liquidity management rests with management. The Group's practice is to regularly review cash needs and to place excess funds on fixed term deposits for periods not exceeding one month. The Group manages liquidity risk by maintaining adequate banking facilities and by continuously monitoring forecast and actual cash flows.

The Directors have prepared a business plan and forecast for the period to 31 December 2026. The forecast contains certain assumptions about the level of future sales and the level of margins achievable. These assumptions are the Directors' best estimate of the future development of the business. The Directors acknowledge that the Group in the near-term trading is primarily reliant on cash generation from its predominantly US-based corporate-operated profits and franchisee royalty income.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest due repayment dates. The table shows principal cash flows.

Group	0-6 months $	6-12 months $	2-3 years $	4-5 years $	>5 years $	Total $
2024						
Payables	6,749,312	-	-	-	-	6,749,312
Lease liabilities	855,564	663,958	1,485,812	476,669	580,862	4,062,865
Borrowings	1,146,925	1,120,614	5,058,571	18,755,395	4,474	26,085,979
Deferred consideration	1,009,324	2,768,741	3,156,143	2,176,126	-	9,110,334

Group	0-6 months	6-12 months	2-3 years	4-5 years	>5 years	Total
	$	$	$	$	$	$
2023						
Payables	5,997,028	-	-	-	-	5,997,028
Lease liabilities	776,522	617,625	1,062,989	962,664	-	3,419,800
Borrowings	2,705,869	2,705,113	4,782,400	5,702,815	-	15,896,197
Deferred consideration	3,551,079	1,201,096	3,604,235	27,840	-	8,384,250

Interest expected to be paid on liabilities are shown in the table below

Group	0-6 months $	6-12 months $	>12 months $	Total $
2024				
Payables	-	-	-	-
Lease liabilities	70,035	50,641	94,042	214,718
Borrowings	858,970	816,987	4,620,931	6,296,888
Deferred consideration	120,813	77,192	84,630	282,635

Derivatives
The Group recognized that there was inherent risk related to interest rates in the economic environment. Therefore, the Group utilized interest rate swaps to fix its future rates and thereby eliminated the risk against the numerous increases in interest rates that occurred.

The Group entered into a swap agreement with M&T Bank which fixed the Daily Simple SOFR interest at 3.35% through August 1, 2029. The interest rate swap had a notional amount of $21,000,000, an effective date of August 5, 2024, and a fair value of $491,824 at December 31, 2024, which was included as an asset on the balance sheets.

The interest rate swaps meet the criteria necessary to qualify as effective cash flow hedges as defined in the accounting standards. Accordingly, the Group has reflected the changes in the fair value within other comprehensive income in the statement of comprehensive income.

Fair values
The Directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

Reconciliation of liabilities arising from financing activities
The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings $	Short-term borrowings $	Lease Liabilities $	Total $
At 1 January 2024	10,485,215	5,410,983	3,419,800	19,315,998
Cash flows				
- Repayment	(18,410,090)	-	(1,823,143)	(20,233,233)
- Proceeds	26,628,000	-	-	26,628,000
Non-cash				
- New Leases	-	-	2,466,208	2,466,208
- New Loans	1,971,871			1,971,871
- Reclassification	3,143,444	(3,143,444)	-	-
As at 31 December 2024	23,818,440	2,267,539	4,062,865	30,148,844

	Long-term borrowings $	Short-term borrowings $	Lease Liabilities $	Total $
At 1 January 2023	12,741,748	4,092,050	4,020,575	20,854,373
Cash flows				
- Repayment	(4,986,658)	-	(1,715,978)	(6,702,636)
- Proceeds	2,811,353	-	-	2,811,353
Non-cash				
- New Leases	-	-	1,115,203	1,115,203
	1,237,705			1,237,705
- Reclassification	(1,318,933)	1,318,933	-	-
As at 31 December 2023	10,485,215	5,410,983	3,419,800	19,315,998

The New non-cash loans in the period are related to the financing for motor vehicles acquired in the period and these are all fixed term borrowings

24 Fair value measurement

The following table provides the fair value measurement hierarchy for assets measured at fair value:

			Fair value measurement using		
		Total	**Quoted process in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value	**Date of valuation**	**$**	**$**	**$**	**$**
Listed equity investments					
SEEEN investment	31 December 2024	292,067	292,067	-	-
SEEEN investment	31 December 2023	447,231	447,231	-	-
Derivative financial assets					
Interest rate swap	31 December 2024	491,824	-	491,824	-
Interest rate swap	31 December 2023	276,265	-	276,265	-

To estimate fair value, the lower end of the bid-offer spread as at 31 December 2024 was used to calculate the value of the holding. There is an active market for the Group's liquid equity investment.

25 Contingent liabilities

The Directors are not aware of any material contingent liabilities.

26 Related party transactions

PSS was one former owner of ALDHC until the reverse merger in 2010 that created Water Intelligence. PSS is now a significant shareholder of Water Intelligence and hence is a related party to the Company. PSS provides a technology license to Water Intelligence and ALD on terms favourable to Water Intelligence and ALD. The license is royalty-free for the first $5 million of sales for products developed with PSS technology. PSS also guarantees the bank debt of Water Intelligence as described below.

During the normal course of operations, there are intercompany transactions among PSS, Water Intelligence plc, ALDHC and ALD. In previous years, PSS charged administrative fees to the Company to cover activities taken on behalf of company business, including research. The financial results of these related party transactions are reviewed by an independent director of Water Intelligence plc, the parent of ALDHC and ALD.

As described in Note 23, the Company's parent (and the Company as co-borrower) have different credit facilities with M&T Bank. For the PSS guarantee, ALDHC pays 0.75% per annum based on the outstanding balance of the loan calculated at the end of each month. Interest charged on the PSS receivable will match the interest rate charged by the bank. The monthly charge for the PSS guarantee would not change and would be offset against amounts owed by PSS. The charge will be eliminated should the guarantee no longer be required by the bank. Interest income related to the PSS receivable amounted to $15,784 and $17,747 for the years December 31, 2024 and 2023, respectively. The guarantee fee expense for the PSS guarantee amounted to $133,840 and $123,748 for the years ended December 31, 2024 and 2023, respectively. During 2024 the Company paid expenses on behalf of PSS in the amount of $55,603. The related receivable/prepaid balance remaining is $229,076 and $291,528 at December 31, 2024 and 2023, respectively.

During the year, the Company had the following transactions with its subsidiary companies:

Water Intelligence International Limited	**$**
Balance at 31 December 2023	4,609,606
Net loans to subsidiary	1,156,639
Other expenses recharged and exchange differences	(89,897)
Balance at 31 December 2024	5,676,348

ALDHC	**$**
Balance at 31 December 2023	-
	-
Balance at 31 December 2024	-

ALD Inc.	**$**
Balance at 31 December 2023	22,673,254
Loans paid to WI	(250,000)
Other expenses recharged and exchange differences	(382,243)
Balance at 31 December 2024	22,041,011

27 Exemption from audit by parent guarantee

The following subsidiaries of this entity are exempt from the requirement of the Companies Act 2006 relating to the audit of individual financial statements by virtue of s479A:

Name of subsidiary	Company number
Water Intelligence International Limited	03634838
Wat-er-save Services Limited	02498598

28 Subsequent events

In January of 2025, The Group through its ALD franchise business, completed the acquisition of Effective Plumbing a fast growing plumbing company in Connecticut. The purchase price was $1.2 million and is based on 2024 pro forma financials of $1.2 million in sales and $0.3 million in profits. Effective Plumbing builds on ALD's 2022 acquisition of Shanahan Plumbing. Both plumbing companies service high-end residential homes useful for implementation of the StreamLabs partnership.

In February of 2025, The Group completed the reacquisition of its franchise covering parts of Georgia and South Carolina within the Group's ALD franchise business. The purchase price was $3 million and is based on $1.55 million of sales and $0.55 million of profits for 2024. Its operating area includes a significant number of resorts and high-end second homes in South Carolina useful for the implementation of the StreamLabs partnership.

In February 2025, the Group announced a strategic partnership with StreamLabs Water, Inc., a Chubb company. StreamLabs Water makes various leading water monitoring devices. The partnership involves the resale of products by the Group's American Leak Detection business, as well as, installations and aftercare based on data managed by American Leak Detection.

29 Control

The Company is under the control of its shareholders and not any one party. The shareholdings of the directors and entities in which they are related are as outlined within the Director's Report.