



Water
Intelligence^{plc}



Water Intelligence plc

Group Annual Report and Financial Statements for
the Year Ended 31 December 2025

Company number 03923150

Group Annual Report and Financial Statements

for the year ended 31 December 2025

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Company Information

Directors & Advisers

Directors	Patrick DeSouza	Executive Chairman
	Laura Hills	Non-Executive Director
	Bobby Knell	Non-Executive Director (ret. 16 Mar. 2026)
	C. Daniel Ewell	Non-Executive Director
	Phil Meckley	Non-Executive Director

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Company number Registered in England and Wales number 03923150

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Chairman's Statement

Overview: Competitive Differentiation and Market Capture

2026 promises to be an exciting year for our shareholders that leverages a strong 2025 both financially and operationally. The big opportunity has arrived for Water Intelligence ("WI" or the "Group") to lead disruption in the \$200 billion US market for water infrastructure services. As discussed below, the Group's core business – American Leak Detection ("ALD") – is uniquely suited to lead market capture because of its existing nationwide service network, secure CRM backbone and built out B2B channels. Moreover, the Group's core ALD business is scalable globally because of the Group's fast-growing non-US business – Water Intelligence International ("WII").

One might ask: *Why Now?* Two emerging factors drive disruption in market capture. First, wireless digital monitoring products with remote shutoff functionality have dropped in price creating a positive return on investment for consumers as the price of water continues to rise. Second, usage data from such devices may now be coupled with AI to assist with predictive maintenance for the "smart home". As a result, both consumers and businesses, such as insurance, property management and retailers, seek to shift their purchasing behavior from *reactive* one-off purchases of leak detection and repair services to *proactive* "preventive maintenance" and on-going management of water as part of a more cost-effective subscription model. A similar disruptive change happened in the health care industry over a decade ago with minimally invasive technologies and preventive care leading to new winners and losers among solution providers. Analogously, the reality for water infrastructure is that all pipes leak and only get worse given the erosion of pipe materials. Catching minor or hidden leaks and addressing pressure issues early changes the economics of water by: (i) reducing emergency repairs and the cost of restoration by 60-80%; (ii) lowering utility bills; and (iii) preventing costly secondary damage such as from mold. Because of our prior investments and positioning as the leader in minimally invasive leak detection and repair, Water Intelligence is well positioned to layer-on for customers preventive care products and services and aftercare via a subscription offering.

Our Technology Enabled Solutions Platform ("TES"), built over the last decade, enables us to provide customers – B2B or Residential – under "one roof" an integrated suite of offerings: (i) wireless monitoring devices that alert the end-user to the presence of a leak, (ii) experienced, trained professionals for installations of devices, (iii) "First Responder" service level agreements (SLAs) activated upon monitoring alerts, (iv) industry leading minimally invasive leak detection services using our proprietary technology, (v) cost-effective repair options, (vi) a subscription model for aftercare so that future leaks and damages are minimized and (viii) proprietary video moments technology that provides preventive maintenance education to customers. We have built out formal B2B channels across the US in insurance and property management and handle through these channels approximately 100,000 jobs annually in addition to direct sales to clients. All client records (including audio and video files) are stored securely in our Salesforce operating system thus enabling efficient aftercare. Finally, we use AI to draw additional insights from geographies and demographics to provide customers, especially insurance and property management, with data insights regarding the risk of future leaks.

Water Intelligence, to our knowledge, is the only company in the US market with a complete collection of assets to scale a TES Platform for water infrastructure. We are distinguished from our competitors by our core ALD services network of trained minimally-invasive leak detection professionals in over 150 locations across the US and "five-star" reputation among consumers. Given our technology DNA and market penetration, our service professionals can now also up-sell in consultative fashion additional third party technology products to homeowners for the smart home or smart property complex. And we can execute such dynamic, integrated programs not only across the US but also in the UK, Ireland, Canada and Australia given our installed base of customers and visits to over 250,000 households annually. Our service network is a technology platform given our Salesforce CRM that also enables additional products (both proprietary and third party) to be incorporated for our customers.

Based on the operational work and training with digital monitoring devices and data analysis executed in 2025, we began paid-pilots for big customers in Q1 2026. More precisely, during 2025, we integrated data feeds from our assets (wireless leak detection equipment and monitoring products) into our Salesforce environment and created proprietary workflows to execute any type of job for the end-user with robust SLAs. We can measure and validate every activity from the inception of the leak and rate of water loss to time cycle for response services and mitigation. During 2025, we further reinforced our capabilities with new strategic product partnerships such as *StreamLabs* and *Bluebot* that not only provide

Chairman's Statement

world-class monitoring of pipes but also include remote shut-off of water functionality when emergencies require time sensitive action. We are able to “white label” such devices and resulting data products for our clients to provide aftercare. As a result, it promises to be an exciting 2026.

Market Demand

Our TES Platform arrives at the right time for customers. Water damage is the second most frequent insurance claim. Roughly 1 in 67 insured homes in the US, or 1.5%, file this type of claim each year. In the US, where our core American Leak Detection business (ALD) operates, insurers face over \$13 billion of losses annually from household claims. From 2019 to 2023, water damage and freezing claims made up about a quarter of all home insurance claims and had an average claim amount of \$15,400 in damage. Hence the return on investment (ROI) for a hypothetical \$1000 minimally invasive leak detection or preventive aftercare visit from ALD is quite compelling.

For our shareholders and potential investors, the key insight for understanding our value proposition is that water leaks go undetected for an average of 2,000 hours – equivalent to more than 75 days. A quarter-inch pipe leak can waste 10,000 gallons of water a month. And the longer leaks remain undetected, the worse the resulting damage is to a home's structure or foundation. In fact, experts note that 98% of basements will experience water damage at some point. And that is just the beginning. Secondary damage can multiply repair costs by 2x or 3x. For example, water damage and mold go hand in hand. Mold can start growing within 48 hours of a water leak. As a result, ALD's integrated offerings: (i) wireless early detection and remote shut-off, (ii) “first responder” service with minimally invasive leak detection and repair services and (iii) vigilant aftercare hits the bullseye in proactively minimizing water loss and damage. We are effectively cutting off the real economic pain for clients before it happens.

It is useful to reiterate that while today's world of AI is disruptive to many industries, it only complements our TES Platform because of our ability to harness data. All pipes leak and must be fixed by professionals. AI is not going to displace that reality. However, we embrace AI as an important tool for our integrated offerings by providing risk analysis for insurance companies and property management based on geographies and demographics to help manage customer underwriting. Further, we are licensing AI-infused video moments technology from our affiliate SEEEN to enhance our integrated offerings through instructions for products and training for professionals.

2025 Financial Results and Q1 2026 Momentum

We have put ourselves in a strong position to win in the marketplace. Our Preventive Maintenance strategy rests on a solid foundation of consistently strong financial performance as well as operational excellence. During 2025 the Group continued to grow organically, delivering its core services, generating cash and managing a strong balance sheet when deploying capital.

During 2025, Group revenues grew 9% to \$90.4 million (2024: \$83.3 million). Our network penetration was approximately double. Gross sales representing both direct corporate sales and indirect franchisee gross sales from which royalty income is derived reached \$177 million. Our two operating subsidiaries performed well. Our core business – ALD – grew sales 4% to \$75.7 million (2024: \$73 million). The largest component – US corporate stores – grew 7% to \$59.6 million (2024: \$55.9 million). Franchise royalties declined by 7% to \$6 million (2024: \$6.5 million) reflecting prior franchise re-acquisitions which reduced the pool of royalty income. If franchise reacquisitions were held constant, franchise royalties would have grown 1%. Franchise related items such as the B2B channels of insurance and property management declined by 5% to \$9.5 million (2024: \$9.96 million). In part, this decline is a result of recent franchise acquisitions in that “Franchise-Related” B2B channel sales do not get recorded if executed by corporate locations. In any case, as noted below, this decline reversed itself in Q1 2026. Separately, the Group's international subsidiary – WII – grew strongly by 44% to \$14.7 million (2024: \$10.3 million). WII growth in 2025 built upon its 35% sales growth in 2024. During 2025, WII growth was led by our Irish location which more than doubled sales as Irish Water pushed forward various initiatives. Given the reality that leaky pipes are a global problem for water loss and damage, we believe that WII traction is highly scalable given back-to-back years of superior growth and a similar start to 2026 as noted below.

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EBITDA grew 15% to \$15.1 million (2024: \$13.1 million) EBITDA Adjusted for non-cash and non-core expenses grew 15% to \$16.5 million (2024: \$14.3 million). PBT grew by 7% to \$6.8 million (2024: \$6.4 million). PBT Adjusted for non-cash and non-core expenses grew 9% to \$9.2 million (2024: \$8.4 million) and takes into account the treatment of profits from our Irish acquisition as remuneration expense because of its earn-out structure. EBITDA Adjusted margins improved to 18% (2024: 17%). Our balance sheet remained strong and under-levered with a Total Net Debt to EBITDA Adj ratio of 1.17. As a result of both performance and balance sheet, the Group generates sufficient resources to drive its preventive maintenance growth strategy to increase sales and profits during 2026. Statutory Basic Earnings Per Share grew 7% to \$0.29 (2024: \$0.27) Adjusted Basic Earnings Per Share grew 9% to \$0.39 (2024: \$0.36).

2026 Update

As indicated above, 2026 has started well along various dimensions. Most importantly, people make a difference. We continue to strengthen our leadership team and strategic partnerships so that we can aggressively scale the business. A year ago, we promoted Will Knell to be CEO drawing on his leadership experience both in growing the Dallas franchise to be the largest in the US and in leading the franchise advisory committee. For 2026 we have appointed Mike Moulton as the new CFO to further upgrade Will's leadership team. Like Will, Mike brings with him a lot of experience with our business and its operating metrics given that he was formerly the Group's credit officer at M&T Bank. Moreover, Mike also has experience with public listings from his prior work at Bank of America. In addition to team building, Q1 2026 has been marked with gaining new insurance and property management customers and the launch of various paid pilots with large customers for monitoring products that should fuel a higher level of growth for 2H 2026.

On the financial side, Group revenue increased in Q1 2026 by 9% to \$23.2 million (Q1 2025: \$21.3 million). 9% Q1 2026 growth for the Group reinforces the momentum from the 9% annual revenue growth of 2025. It is also notable that 9% growth in Q1 2026 more than doubled the rate of growth of 4% reported in Q1 2025. This result should be underscored given that the early part of Q1 2026 was marked by severe weather in the northern part of the US limiting operations.

Within the Group, during Q1 2026, ALD grew by 4% (\$18.8 million vs. \$18.1 million in Q1 2025) and WII grew by 38% to \$4.3 million versus \$3.1 million in Q1 2025. The B2B component of ALD grew by 16% reversing a decline for full year 2025 of 5%. This gain may be attributed to paid for pilots on preventive maintenance offerings. During the quarter, profit growth accompanied sales growth with EBITDA Adjusted growing by 8% to \$4.4 million (Q1 2025: \$4.1 million). EBITDA Adjusted margins for Q1 2026 remained constant at 19% despite rising gas and consumables prices due to the Iranian conflict. Ironically, we have controlled costs by adopting a preventive maintenance program offered by our new partner Holman company for maintaining our fleet of vehicles. Our satisfaction with Holman's offering leads us to have confidence that customers will welcome our preventive maintenance solutions for water infrastructure. Finally, our balance sheet remains strong. Cash as of 31 March, 2026 was \$5.5 million and the Group had a Net Total Debt to EBITDA Adjusted ratio of 1.28.

Beyond a new partnership with Holman, during 2025 we reviewed our operations based on the "Dallas Template" that has led to 30% profit margins in Dallas to find additional efficiencies. We also implemented various changes to workflows, primarily for our Preventive Maintenance competitive strategy, but also for basic operations at our various corporate stores. During Q1 2026, corporate stores increased profits by 15% and margins by 200bps without loss of service excellence. Based on such results, we will be implementing such Dallas Template cost control policies across the Group throughout 2026. We will be communicating a set of operating statistics as part of our Interim Financials for 2026 and then incorporating such statistics in the Strategic Report for our 2026 Accounts.

Outlook

We have built a scalable, TES platform that integrates product and service offerings to execute preventive maintenance programs for water-related infrastructure across the US and in various parts of the world. And we have a secure market-leading CRM backbone that manages various proprietary workflows that enable us to provide first class SLAs and data products for aftercare of customers

Chairman's Statement

experiencing water issues. Importantly, we own a unique service network to leverage the sale of more products – ours and third parties - for the smart home, smart properties or even smart communities. As we take stock of our 1H 2026, we will be able to include in our forecasts a broader range of product sales. Through May, we have maintained the momentum of our 2025 and Q1 2026 financial performance.

As stated above, people make the difference in trajectories. We are not only strengthening our leadership team but we remain proud of our trained professionals. They are unique because of their technology training for staff that works in the water industry. Not only do our team members use our proprietary technology to pinpoint water leaks with minimal invasion, they also know how to use the Salesforce CRM technology because of their experience with our B2B workflows for insurance and property management. They produce analytics reports on webforms and manage data. No other company in the water services space has such a complete package of technology-trained blue-collar professionals, established service network, experience with B2B customers, full range of products and services offerings and secure CRM – in short, a “One Stop Shop” for Preventive Maintenance solutions.

During Q4 2025 and Q1 2026 we have launched formal paid pilots with large companies to implement such integrated offerings for preventive maintenance of water loss and damage. These prototype B2B customers have significant water budgets that are being “drained” by unobservable water leaks. Moreover, we will be also selling monitoring devices at the retail level to our installed base of customers and to new customers looking for solutions. The pool of qualified leads for an up-sale is substantial. Our trained service professionals make over 250,000 household visits each year to pinpoint and repair leaks. Finally, we are designing various AI-driven data products to provide water management insights for our customers so that aftercare is a seamless extension from our basic offerings.

We are excited about the distribution platform we have built, its timeliness with respect to market demand and the traction that it already has in the marketplace. We expect that product sales will begin to ramp in 2H 2026 to supplement organic services business. To reiterate, we are continuing to grow the core services business, which has had a five-year compounded annual growth of 19% in sales over the last five years as a strong underlying baseline from which to a product sales ramp.

We will continue our capital allocation policies to feed the scalability of our TES Platform: (i) invest to support organic growth in our base services business and new products business; (ii) invest in our proprietary leak detection tools to retain our competitive edge for organic growth; (iii) invest in select accretive acquisitions of franchisees and third parties; and (iv) repurchase of shares to provide additional liquidity for investors.

Dr. Patrick DeSouza

Executive Chairman

17 June 2026

Strategic Report

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 main wholly-owned subsidiaries: American Leak Detection (ALD) and Water Intelligence International (WII). These business units generated approximately \$177 million of gross sales to third-parties during 2025 (both direct sales provided by corporate locations and indirect sales provided by franchisees from which royalty income is derived). The two subsidiaries – ALD for business in the US and WII for business outside of the US - 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 2025 ALD generated approximately \$162 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 2025 WII generated approximately \$14.7 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 residential 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 and Australia.

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 \$92 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) ALD franchise royalty income, (ii) ALD franchise-related activities that include both business to business sales and sales of parts and equipment, (iii) ALD corporate-operated locations in the United States, (iv) 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.

Strategic Report

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 franchisees to fuel growth in the franchise System. ALD's Business-to-Business Channel captures jobs done by our franchisees; the Channel leverages for customers primarily insurance and property management our national execution presence under one brand. The B2B Channel does not include jobs executed directly by corporate operations.
- 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 with additional resources 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 2025 approximately \$92 million of such gross sales may be attributed to the franchise System. The Group derived approximately \$6 million in royalty income from such gross sales. There are currently 70 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.

Part of the Group's growth strategy 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 declined by 7% in 2025. It is important to note that this is attributable to a number of reacquisitions during 2024 which had the effect of reducing the eligible pool of royalty income for 2024. Without such reacquisitions in 2024, royalty income would have grown 1% indicating that on a like-for-like basis the franchise System is still growing. Despite lower royalty income as a result of acquisitions, we have tried to introduce efficiencies to make remaining royalty more profitable.

Performance from royalty income is as follows:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	Change %
Total USA	5,951	6,408	(7)%
International	75	95	(22)%
Total Group Royalty Income	6,026	6,503	(7)%
Profit before tax (see note 4)	2,218	2,296	(3)%

Strategic Report

(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 and property management, 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 and property management 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 and property management relationships, especially as the number of corporate stores increase from franchise acquisitions and the same jobs are not recorded in this “franchise-related” activity.

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.

Total revenue from franchise-related activities in 2025 declined by 6% compared to 2024. In part such decline is due to a shift to corporate execution. Profits before tax decreased 21% in 2025 compared with 2024. Performance from franchise-related activities are as follows:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	Change %
Parts and equipment sales	548	593	(7)%
Business-to-Business sales	9,504	9,959	(5)%
Sales of Franchise Units	17	114	(85)%
Total Revenue Franchise Activities	10,069	10,666	(6)%
Profit before tax (see note 4)	689	870	(21)%

(iii) US Corporate Operated Locations (ALD).

Corporate-run locations, both greenfield and initiated after reacquisition of franchise locations, contribute direct 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 42 locations, an increase of 3 locations (2024:39).

As set forth below, ALD Corporate-operated revenue grew 7% to \$59.6 million (2024: \$55.6 million). Meanwhile profits before tax increased by 16% to \$11.6 million (2024: \$10 million).

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 2024 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 remained flat at approximately \$54 million (2024: \$54 million) and profit before tax increased 6% to \$10.3 million (2024: \$9.7 million) as we continue to create more efficient operations. Margins on same store locations increased to 18.9% from 17.8% in 2024.

Strategic Report

Performance from corporate-operated locations is as follows:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	Change %
Revenue	59,589	55,855	7%
<i>Locations owned prior to 1 January 2024</i>	<i>54,384</i>	<i>54,554</i>	<i>0%</i>
Profit before tax (see note 4)	11,567	10,006	16%
<i>Locations owned prior to 1 January 2024</i>	<i>10,296</i>	<i>9,700</i>	<i>6%</i>

(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. WII also has multinational operating scope in managing corporate locations established in Ireland, Australia and Ontario, Canada.

International sales grew 44% during 2025 to \$14.7 million. (2024: \$10.3 million) and profits improved by 52% to (\$0.29) million (2024: (\$0.6)). 2024 losses largely represented one-time restructuring costs in Australia. Marginal losses in 2025 largely stemmed from continued severance costs given Australian regulations and working capital expenses needed to fuel growth.

Performance from international activities is as follows:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	Change %
UK	4,929	4,238	16%
Ireland	5,851	2,328	151%
Australia	2,749	2,575	7%
Canada	1,215	1,127	8%
Total Revenue from International Corporate Activities	14,744	10,268	44%
(Loss)/Profit before tax (see note 4)	(291)	(602)	52%

(v) Net Non-Core Costs / Gains.

During 2025, the Group incurred non-core costs relating to transactions, non-underlying items, (acquisition consideration accounted for as deemed remuneration in accordance with IFRS 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 versus scaling through acquisition. In 2025, there were \$474,901 of Net Non-core costs/gains (2024: \$529,000).

Strategic Report

Please see table below for details:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Severance	375	700
Moving to new Dallas HQ	300	310
Transaction-related legal and other costs	650	575
Medical	125	-
Training on corporate store management of performance incentives program	310	-
Gain from elimination of contingent consideration	(1,285)	(700)
Gain on bargain purchase	-	(356)
Total Net Non-Core Costs	475	529

(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 2025 \$'000	Year ended 31 December 2024 \$'000
Lines of credit: acquisition and working capital	1,725	-
Bank borrowings	21,760	23,272
	23,485	23,272
Less: Cash and cash investments		
<i>Held in US Dollars</i>	4,471	10,621
<i>Held in £ Sterling</i>	480	709
<i>Held in € Euros</i>	465	248
<i>Held in CDN Dollars</i>	574	478
<i>Held in AU Dollars</i>	51	80
	6,042	12,136
Total Net Bank Borrowings/(Cash)	17,443	11,136

*Bank debt plus deferred consideration as at December 31, 2025 was \$25.3 million (2024 \$27.9 million). Net total debt to EBITDA Adjusted in 2025 was 1.17. This figure includes deferred consideration, but not contingent payments based on earn-outs.

Strategic Report

(vii) Adjusted PBT and EBITDA

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Profit before tax	6,787	6,356
Non-cash	302	379
Net Non-core costs/gains	475	529
Deemed remuneration - Irish acquisition	504	288
Goodwill impairment	125	-
Amortization	958	855
Profit before tax adjusted	9,151	8,407
Interest	2,082	1,295
Depreciation	5,239	4,568
EBITDA adjusted	16,473	14,270

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 especially with respect to product partnerships for water monitoring devices 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 rise in interest rates and the existence of persistent inflation. The Group is monitoring risks associated with stagflation or recession for 2025 and 2026.

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

Strategic Report

indicated in S172) in the decisions taken during the year ended 31 December 2025. Following is an overview of how the Board performed its duties during 2025.

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 and February 2026, 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 2025, the Group held its annual convention in Philadelphia, Pennsylvania. 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. No political donations were made in 2025.

By order of the Board

Patrick DeSouza
Executive Chairman

17 June 2026

Directors' Report

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 2025.

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 38.

During 2025, Group revenues grew 9% to \$90.4 million (2024: \$83.3 million). Our two operating subsidiaries performed well. The core business – ALD – grew sales 4% to \$75.7 million (2024: \$73 million). The Group's international subsidiary – Water Intelligence International (WII) – grew strongly by 44% to \$14.7 million (2024: \$10.3 million). The splits between ALD and WII revenue changed marginally with WII gaining as a proportion of total revenue because of consecutive high growth years (2025: 44%; 2024: 35%). At the end of 2025, ALD represented approximately 83.7% of the business compared with 87.6% of the Group's revenue in 2024.

Group profits grew strongly. Profit Before Tax Adjusted for non-cash and non-core expenses grew 9% to \$9.2 million (2024: \$8.4 million). EBITDA Adjusted for non-cash and non-core expenses grew 15% to \$16.5 million (2024: \$14.3 million).

Going Concern

The Directors have prepared a business plan and cash flow forecast for the period to December 2027. 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 core US-based business, ALD. The Directors also note that the Group has diversified its operations with growth in WII and that business unit is showing strong revenue growth. 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 and February 2026 (Subsequent Event), the Directors believe that funding will be available on a case-by-case basis for additional initiatives.

Cash and cash investments at 31 December 2025 was \$6 million (2024: \$5.5 million). On 31 December 2025, total debt (borrowings and deferred consideration from franchise acquisitions) was \$26.2 million (2024: \$27.7 million) with amortisation of such amount through 2029. Meanwhile, EBITDA in 2025 increased by 15% to \$15.1 million (2024: \$13.1 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 and Company 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.

Directors' Report

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 (2024: \$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 (2024: \$nil).

Share Price

On 31 December 2025, the closing market price of Water Intelligence plc ordinary shares was 285 pence. The highest and lowest prices of these shares during the year to 31 December 2025 were 425 pence and 260 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 3-5.

Financial Risk Management

Financial risk management is outlined in the principal risks and uncertainties section of the Strategic Report on page 11.

Subsequent Events

In February 2026, ALD expanded its credit facility with M&T bank. First, the working capital line of credit was expanded to \$3.8 million, of which \$825k was drawn down in 2025 and \$500k in 2026. Second, the 2024 Term Loan was expanded to \$23.5 million with an advance of \$2.5 million.

In March 2026, The Group completed the reacquisition of its franchise covering parts of Southern Colorado within the Group's ALD franchise business. The purchase price was \$200k.

In March 2026, the Group executed a strategic partnership agreement with Lookout Labs, Inc. (dba Bluebot). Bluebot owns a high quality wireless monitoring device distinguished by its ease of installation. ALD is the exclusive partner with respect to installation services and has preferred terms for product sales and "White Labeling" as ALD.

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 (retired 16 March 2026)

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' Report

Directors' emoluments

2025

	Salary, Fees & Bonus	Benefits	Redundancy	Total
	\$	\$	\$	\$
Executive Directors				
P DeSouza	605,000	32,750	-	637,750
Non-Executive Directors				
L Hills	-	-	-	-
D Ewell	-	-	-	-
B Knell	-	-	-	-
P Meckley	-	-	-	-
	605,000	32,750	-	637,750

* In lieu of cash compensation, all directors will be issued share options shortly after the release of these results.

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 directors were issued share options on 30 September 2025 and announced via Regulatory News Service on 1 October 2025

Directors' Report

Directors' interests

The Directors who held office at 31 December 2025 and subsequent to year end had the following direct interest in the voting rights of the Company at 31 December 2025 and at the date of this report, excluding the shares held by Plain Sight Systems, Inc.

	Number of shares at 31 December 2025	% held at 31 December 2025	Number of shares at 17 June 2026	% held at 17 June 2026
Patrick DeSouza ¹	4,874,760	25.64%	4,874,760	25.80%
Laura Hills	130,373	0.69%	130,373	0.69%
Bobby Knell	27,000	0.14%	27,000	0.14%
Dan Ewell	41,320	0.22%	41,320	0.22%
Phil Meckley	2,050	0.01%	2,050	0.01%

¹ 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	12.9
Canaccord Genuity Group Inc.	1,722,479	9.1
Maven Capital Partners	1,055,810	5.6
George D. Yancopoulos	880,920	4.5

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.

Directors' Report

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
17 June 2026

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, the Company adopted the QCA Corporate Governance Code as its chosen recognised corporate governance code for the purposes of AIM Rule 26.

During the year, the Board reviewed the revised QCA Corporate Governance Code published in 2023, which applies to accounting periods commencing on or after 1 April 2024. The Board continues to apply the QCA Code and has considered the changes introduced by the revised Code in the context of the Company's size, stage of development, resources and complexity.

As part of this review, the Board considered the Company's existing governance arrangements, including Board composition, stakeholder engagement, risk management, internal controls, corporate culture and shareholder communications. The Board concluded that the Company's existing governance framework remains appropriate for the Group, although the revised Code has informed the presentation and emphasis of the Company's corporate governance disclosures.

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.

Where the Company does not fully apply a particular aspect of the QCA Code, the Board explains the reasons for this, having regard to the Company's size, resources and stage of development.

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 four 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 2025 and 31 December 2025 and the attendance of directors is summarized below:

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

Corporate Governance Statement

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.

Corporate Governance Statement

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: Mr. Ewell is currently retired from Morgan Stanley where he worked for over 33 years. 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. During 2025, the CFO was Pat Lamarco Jr., who attended all Board meetings and reported regularly to the Board and assisted in the preparation of Board materials and in reviewing the budget and ongoing performance. As of April 1, 2026, Michael Moulton was appointed as CFO and Mr. Lamarco retired. Mr. Moulton is required to attend all Board meetings and report regularly to the Board and assist in the preparation of Board materials including 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 on 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.

Corporate Governance Statement

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.

Corporate Governance Statement

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 2024 annual accounts and the interim accounts to 30 June 2025. 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 comprised of Laura Hills and Bobby Knell, with Bobby Knell as Chairman. Since Bobby's retirement, his role has been replaced by Dan Ewell with Laura Hills acting as Chair. 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.

Statement of Directors' Responsibilities

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 therein

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 2025, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 December 2025;
- the Consolidated and Company statements of financial position as at 31 December 2025;
- the Consolidated and Company statements of changes in equity for the year then ended;
- the Consolidated and Company statements 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 2025 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 the directors' 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 the directors' cash flow forecast;
- We challenged the directors on the assumptions underlying those projections;
- Performed stress tests on the directors' 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;

Independent Auditors' report to the members of Water Intelligence plc

- 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 material 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 \$342,000 (2024: \$370,000), based on approximately 6% of Group profit before tax (2024: 6% of Group profit before tax).

Materiality for the stand-alone Company financial statements was \$700,000 (2024: \$700,000) based on 2% of total assets and this was restricted to \$71,000 (2024: \$140,000) for the purposes of the Group audit.

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 \$239,000 (2024: \$259,000) for the Group, \$490,000 (2024: \$490,000) for the stand-alone Company financial statements and this was restricted to \$50,000 (2024: \$98,000) for the Group audit.

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 \$17,100 (2024: \$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. The group has subsidiary operations in North America, Canada, Australia, Ireland and the United Kingdom (UK).

Independent Auditors' report to the members of Water Intelligence plc

We performed a detailed scoping exercise of each individual account balance, class of transaction and disclosure at a Group level to determine the individual legal entities' contribution to each significant account in the Group financial statements. This has resulted in certain individual legal entities being subject to audit procedures through either an audit of the entire financial information, audit procedures on specified account balances or being subject to specified procedures ("the components subject to audit procedures").

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 entities by the Group audit team. Targeted specified procedures were performed by the Ireland component team over the Irish entities and by the US component team for the remaining US, Canadian and Australian entities.

The Group, Parent Company and all subsidiaries are primarily accounted for from a location in the US. Audit procedures for the North American, Canadian and Australian components were audited by a US component auditor and the Irish components were audited by local component auditors. As Group auditors, we maintained overall responsibility for the work performed, including involvement in determining the scope of procedures, directing and supervising the component auditors, and reviewing and evaluating the sufficiency of the audit evidence obtained.

The audit of the Parent Company and its UK subsidiaries was performed directly by the Group audit team. 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
<i>Revenue recognition (Note 4)</i> 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 due to improper judgements and inappropriate application of cut off to be significant.	Our audit procedures included the following: <ul style="list-style-type: none">• 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

Independent Auditors' report to the members of Water Intelligence plc

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Impairment on goodwill (<i>Note 13</i>)</p> <p>The carrying value of goodwill relates to goodwill on acquisitions and owned stores goodwill on franchisor activities, all of which an annual impairment review is required to be performed. Impairment assessments involve judgement regarding the future performance of the cash generating 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.</p>	<p>documentation to ensure that the transactions are correctly accounted for, that the performance obligations have been satisfied and to cash receipts;</p> <ul style="list-style-type: none"> • Tested all material accrued and deferred income balances to ensure that the accrued income is materially correct; Reviewed the disclosures in the financial statements to ensure they were compliant with the requirements of IFRS 15. <p>We evaluated, having regards to the requirements set of in IAS36, management's assessment as to whether goodwill and/or other assets were impaired for each cash generating unit ("CGU") were carrying values were material. Our procedures included the following:</p> <ul style="list-style-type: none"> • Performed a walkthrough of the process and controls to gain an understanding of the Group's impairment assessment process including identification of CGU's, calculation methodology, selection of sources of key assumptions; • Assessed the appropriateness of CGU classification and the completeness of the assets subject to impairment assessment of each CGU • Reviewed the discounted cash-flow forecasts for the relevant cash generating units and an assessment of the key assumptions, which principally included discount rate, growth rates and margins; • Obtained the latest management results post year end to assess how the Group is performing compared to the forecasts for each CGU; • Considered accuracy of the forecasts by performing retrospective review; • Checked the mathematical accuracy of the impairment workings; • Performed sensitivity on key assumptions to assess the impact on recoverable value ; • Involved our valuation specialists to assist in the assessment of the discount rate used in the impairment models; and • Reviewed the disclosures in the financial statements to ensure they are in accordance with IFRS.

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

Independent Auditors' report to the members of Water Intelligence plc

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 statement of directors' responsibilities 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.

Independent Auditors' report to the members of Water Intelligence plc

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: 17 June 2026

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

	Notes	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Revenue	4	90,428,290	83,291,649
Cost of sales		(9,380,445)	(9,795,325)
Gross profit		81,047,845	73,496,324
Administrative expenses			
– Other income	12	1,432,757	974,355
– Gain on bargain purchase	12	-	356,464
– Share-based payments	7	(302,012)	(379,343)
– Amortisation of intangibles	13	(957,966)	(854,878)
– Administrative costs		(72,351,158)	(65,941,266)
Total administrative expenses		(72,178,379)	(65,844,668)
Operating profit		8,869,466	7,651,656
Finance income	8	339,321	395,729
Finance expense	9	(2,421,687)	(1,690,900)
Profit before tax		6,787,100	6,356,485
Taxation expense	10	(1,646,071)	(1,572,490)
Profit for the year		5,141,029	4,783,995
Attributable to:			
Equity holders of the parent		4,940,726	4,680,130
Non-controlling interests		200,303	103,865
		5,141,029	4,783,995
Other Comprehensive Income			
Subsequently reclassified to the P&L			
Exchange differences arising on translation of foreign operations		156,321	(173,851)
Cash flow hedge movement		(513,013)	215,558
Not subsequently reclassified to the P&L			
Fair value adjustment on listed equity investment (net of deferred tax)		(392)	(128,528)
Total comprehensive profit for the year		4,783,945	4,697,174
Attributable to:			
Equity holders of the parent		4,583,642	4,593,309
Non-controlling interests		200,303	103,865
		4,783,945	4,697,174
Profit per share attributable to equity holders of Parent		Cents	Cents
Basic	11	28.7	26.9
Diluted	11	28.0	26.3

The results reflected above relate to continuing activities.

Note 11 also includes a table for EPS Adjusted based on profit before tax adjusted, especially given IFRS 3 treatment of Irish acquisition profits as remuneration expense.

The accompanying notes on pages 39 to 75 are an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	2025 \$	2024 \$
ASSETS			
Non-current assets			
Goodwill	13	69,520,998	64,996,704
Listed equity investment	24	292,067	292,067
Other intangible assets	13	15,738,921	11,632,065
Interest rate swap	24	-	491,824
Property, plant and equipment	14	15,362,937	12,991,015
Trade and other receivables	17	239,554	250,500
		101,154,477	90,654,175
Current assets			
Inventories	16	1,697,976	930,439
Trade and other receivables	17	10,716,172	10,934,817
Investments	18	-	6,683,089
Cash and cash equivalents	18	6,041,905	5,452,479
		18,456,053	24,000,824
TOTAL ASSETS		119,610,530	114,654,999
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	(2,514,949)	(883,549)
Merger reserve		1,001,150	1,001,150
Share based payment reserve		3,124,378	2,822,366
Foreign exchange reserve		(1,322,568)	(1,478,888)
Reverse acquisition reserve	21	(27,758,088)	(27,758,088)
Equity investment reserve		(795,061)	(794,668)
Cash flow hedge reserve		(21,189)	491,823
Retained earnings		60,959,031	56,018,304
		68,232,966	64,978,714
Equity attributable to Non-Controlling interest			
Non-controlling Interest		497,039	455,007
Non-current liabilities			
Borrowings	22/23	28,000,917	26,361,482
Deferred consideration	12	4,236,511	5,332,269
Interest rate swap	24	21,189	-
Deferred tax liability	20	4,564,997	3,212,788
		36,823,614	34,906,539
Current liabilities			
Trade and other payables	19	7,430,141	6,749,312
Borrowings	22/23	5,278,673	3,787,362
Deferred consideration	12	1,348,097	3,778,065
		14,056,911	14,314,739
TOTAL EQUITY AND LIABILITIES		119,610,530	114,654,999

The accompanying notes on pages 39 to 75 are an integral part of these financial statements

Consolidated Statement of Financial Position

as at 31 December 2025

The financial statements of Water Intelligence plc, company number 03923150, were approved by the Board of Directors and authorised for issue on 17 June 2026. They were signed on its behalf by:

Patrick DeSouza
Executive Chairman

Company Statement of Financial Position

as at 31 December 2025

	Notes	2025 \$	2024 \$
ASSETS			
Non-current assets			
Investment in subsidiaries	15	7,412,401	6,903,702
Trade and other receivables	17	19,707,249	22,041,011
Listed equity investment	24	292,067	292,067
		27,411,717	29,236,780
Current assets			
Trade and other receivables	17	6,406,612	5,825,417
Cash and cash equivalents	18	25,132	44,789
		6,431,744	5,870,206
TOTAL ASSETS		33,843,461	35,106,986
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	(2,514,949)	(883,549)
Merger reserve		1,001,150	1,001,150
Share based payment reserve		3,124,378	2,822,366
Foreign exchange reserve		(2,036,646)	(2,791,862)
Equity investment reserve		(795,061)	(794,668)
Retained earnings		(493,171)	269,428
		33,845,964	35,183,129
Non-current liabilities			
Deferred tax liability		(235,488)	(219,326)
		(235,488)	(219,326)
Current liabilities			
Trade and other payables	19	232,985	143,183
		232,985	143,183
TOTAL EQUITY AND LIABILITIES		33,843,461	35,106,986

The loss for the financial year in the financial statements of the parent Company was \$762,599 (2024: loss \$1,099,730), which related entirely to Plc costs.

The financial statements of Water Intelligence plc, company number 03923150, were approved by the Board of Directors and authorised for issue on 17 June 2026. They were signed on its behalf by:

Patrick DeSouza
Executive Chairman

The accompanying notes on pages 39 to 75 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	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 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
As at 1 January 2025	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
Share-based payment expense	-	-	-	-	302,012	-	-	-	-	-	302,012	-	302,012
Share buyback	-	-	(1,631,401)	-	-	-	-	-	-	-	(1,631,401)	-	(1,631,401)
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(158,273)	(158,273)
Profit for the year	-	-	-	-	-	-	-	-	-	4,940,726	4,940,726	200,303	5,141,029
Other comprehensive income	-	-	-	-	-	156,321	-	(392)	(513,013)	-	(357,084)	-	(357,084)
As at 31 December 2025	143,192	35,417,072	(2,514,949)	1,001,150	3,124,377	(1,322,568)	(27,758,088)	(795,061)	(21,189)	60,959,030	68,232,967	497,039	68,730,007

The accompanying notes on pages 39 to 75 are an integral part of these financial statements

Company Statement of Changes in Equity

for the year ended 31 December 2025

	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 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
As at 1 January 2025	143,192	35,417,072	(883,549)	1,001,150	2,822,366	(2,791,862)	(794,668)	269,428	35,183,129
Share-based payment expense	-	-	-	-	302,012	-	-	-	302,012
Share buyback	-	-	(1,631,401)	-	-	-	-	-	(1,631,401)
Loss for the year	-	-	-	-	-	-	-	(762,599)	(762,599)
Other comprehensive income	-	-	-	-	-	755,215	(392)	-	754,823
As at 31 December 2025	143,192	35,417,072	(2,514,949)	1,001,150	3,124,378	(2,036,646)	(795,061)	(493,171)	33,845,964

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 66 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 39 to 75 are an integral part of these financial statements

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Cash flows from operating activities		
Profit before tax	6,787,100	6,356,484
Adjustments for non-cash/non-operating items:		
Depreciation of plant and equipment	5,239,297	4,568,406
Amortisation of intangible assets	957,966	854,878
Share based payments	302,012	379,343
Gain from elimination of contingent consideration	(1,285,099)	(700,000)
Gain on bargain purchase	-	(356,464)
Non cash employment costs	-	268,737
Goodwill impairment	125,000	-
Finance costs	2,421,687	1,690,900
Finance income	(339,321)	(395,729)
Operating cash flows before movements in working capital	14,208,642	12,666,555
(Increase) /Decrease in inventories	(767,536)	(207,124)
Decrease in trade and other receivables	196,176	1,634,614
Increase / (Decrease) in trade and other payables	613,277	127,689
Cash generated by operations	14,250,559	14,221,734
Income taxes paid	(250,129)	(1,739,725)
Net cash generated from operating activities	14,000,430	12,482,009
Cash flows from investing activities		
Purchase of plant and equipment	(1,904,076)	(2,108,307)
Disposal of plant and equipment	215,574	200,554
Purchase of intangible assets	(5,006,843)	(3,813,954)
Acquisition of subsidiaries	-	(571,246)
Acquisition/Reacquisition of franchises	(3,225,000)	(6,511,890)
Sale of investments	6,683,089	192,161
Finance income	339,321	395,729
Net cash used in investing activities	(2,897,935)	(12,216,953)
Cash flows from financing activities		
Share buyback	(1,631,401)	(170,522)
Distribution to non-controlling interest	(158,272)	(185,733)
Finance costs	(2,350,054)	(1,635,600)
Proceeds from borrowings	1,725,000	26,628,000
Repayment of borrowings	(2,161,053)	(18,410,090)
Repayment of notes/deferred consideration	(3,965,627)	(8,098,116)
Repayment of lease liabilities	(1,971,663)	(1,823,143)
Net cash (used) from financing activities	(10,513,069)	(3,695,204)
Net (decrease) in cash and cash equivalents	589,426	(3,430,148)
Cash and cash equivalents at the beginning of year	5,452,479	8,882,627
Cash and cash equivalents at end of year	6,041,905	5,452,479

The accompanying notes on pages 39 to 75 are an integral part of these financial statements

Company Statement of Cash Flows

for the year ended 31 December 2025

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Cash flows from operating activities		
Loss before tax	(762,599)	(1,099,730)
Adjustments for non-cash/non-operating items:		
Share based payment expense	302,012	379,342
Non cash employment costs	-	268,737
Operating cash flows before movements in working capital	(460,587)	(451,651)
(Increase)/Decrease in trade and other receivables	1,982,529	(501,813)
Increase/(Decrease) in trade and other payables	89,804	63,168
Cash used by operations	1,611,746	(890,296)
Income taxes paid	-	-
Net cash used by operating activities	1,611,746	(890,296)
Cash flows from investing activities		
	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Share buyback	(1,631,401)	(170,522)
Net cash (used) generated from financing activities	(1,631,401)	(170,522)
(Decrease) in cash and cash equivalents	(19,655)	(1,060,818)
Cash and cash equivalents at the beginning of period	44,789	1,104,607
Cash and cash equivalents at end of period	25,132	44,789

The accompanying notes on pages 39 to 75 are an integral part of these financial statements

Notes to the 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 17 June 2026.

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 2027. 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 and February 2026 (Subsequent Event) the Directors believe that funding will be available on a case-by-case basis for additional initiatives.

Notes to the Financial Statements

Cash and cash investments at 31 December 2025 was \$6 million. On 31 December 2025, total debt (borrowings and deferred consideration from franchise acquisitions) was \$26.2 million with amortisation of such amount through 2029. Meanwhile, (EBITDA) in 2025 increased by 7% to \$14 million (2024: \$13.1 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 and Company 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 and Company 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 2025. 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 2025 is \$762,599 (2024: loss \$1,099,730).

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.

Notes to the Financial Statements

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. Deferred consideration paid is disclosed within cash flows from financing activities as repayment of notes. There is no net change in the cash flow statement.

Notes to the Financial Statements

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

Notes to the Financial Statements

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.

Cost of sales

Cost of sales comprises direct third-party costs incurred in delivering the Group's revenue streams, including materials, consumables, equipment and subcontractor costs that are directly attributable to revenue-generating activities.

Due to the nature of the Group's operations, employees perform a range of activities across multiple jobs and service lines, and it is not practicable to reliably attribute payroll costs to individual contracts. Accordingly, all staff costs, including salaries, wages and related employment costs, are recognised within administrative expenses rather than cost of sales. This presentation is consistent with how the business is managed and how financial performance is monitored internally (i.e. adjusted profit metrics).

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.

When hedge accounting is discontinued, any amounts previously recognised in other comprehensive income remain in equity and are reclassified to profit or loss when the hedged item is recognised in profit or loss. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified immediately to profit or loss.

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.

Notes to the Financial Statements

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.

Notes to the Financial Statements

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

Notes to the Financial Statements

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.

Notes to the Financial Statements

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

Revenue	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Franchise royalty income	6,025,980	6,503,134
Franchise related activities	10,069,327	10,665,512
US corporate operated locations	59,589,413	55,854,674
International corporate operated locations	14,743,571	10,268,329
Total	90,428,290	83,291,649

Profit/(Loss) before tax	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Franchise royalty income	2,217,538	2,296,003
Franchise related activities	688,882	870,187
US corporate operated locations	11,566,890	10,005,806
International corporate operated locations	(291,223)	(601,899)
Unallocated head office costs*	(6,920,086)	(5,684,612)
Net Non-core costs**	(474,901)	(529,000)
Total	6,787,100	6,356,485

* Includes head office costs for product sales for both corporate and franchisees
 **Includes Irish acquisition consideration deemed remuneration under IFRS 3

Assets	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Franchise royalty income	23,070,896	26,022,309
Franchise related activities	4,015,359	3,142,406
US corporate operated locations	74,984,509	68,349,942
International corporate operated locations	17,539,767	17,140,342
Total	119,610,530	114,654,999

Amortisation	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
US corporate operated locations	878,046	832,111
International corporate operated locations	79,919	22,767
Total	957,965	854,878

Notes to the Financial Statements

Depreciation	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
US corporate operated locations	4,516,941	3,914,731
International corporate operated locations	722,356	653,675
Total	5,239,297	4,568,406

Finance Expense	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
US corporate operated locations	740,369	591,128
International corporate activities	52,031	48,691
Unallocated head office costs	1,629,287	1,051,081
Total	2,421,687	1,690,900

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 2025, outside the US sales have grown 44% to \$14.8 million (2024: \$10.3 million). Sales in the US have grown 4% to \$75.6 million (2024: \$72.9 million). The percentage of Outside the US sales to total sales has increased to 16.3% (2024: 12.5%).

Total Revenue

	Year ended 31 December 2025			Year ended 31 December 2024		
	US \$	International \$	Total \$	US \$	International \$	Total \$
Franchise royalty income	5,951,208	74,772	6,025,980	6,407,529	95,605	6,503,134
Franchise related activities	10,069,327	-	10,069,327	10,665,512	-	10,665,512
US Corporate owned Stores	59,589,413	-	59,589,413	55,854,674	-	55,854,674
International corporate activities	-	14,743,571	14,743,571	-	10,268,329	10,268,329
Total	75,609,948	14,818,343	90,428,290	72,927,715	10,363,934	83,291,649

Notes to the Financial Statements

5 Expenses by nature

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

	Year ended 31 December 2025	Year ended 31 December 2024
	\$	\$
	Note	
Raw materials and consumables used	7,263,697	6,215,909
Other direct costs	7,546,841	7,015,178
Employee costs	6 36,175,887	34,063,811
Advertising and marketing	1,571,457	1,051,566
Office costs	3,068,844	2,784,141
Travel costs	1,277,577	1,183,398
General and administrative costs	10,454,493	9,088,786
Depreciation charge	5,239,297	4,568,406
Amortisation charge	957,965	854,878
R&D	-	-
Foreign exchange loss	10,960	7,599

	Year ended 31 December 2025	Year ended 31 December 2024
	\$	\$
Auditors remuneration		
Fees payable to the Company's auditor for audit of Parent Company and Consolidated Financial Statements	89,680	98,000
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 \$195,800 (2024: \$206,800) for the audit of these companies and \$53,014 (2024: \$50,000) 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 2025	Year ended 31 December 2024
<i>Short-Term employee benefits</i>		
Directors fees, salaries and benefits	637,750	697,675
Employee wages and salaries	32,249,394	30,261,722
Employer payroll taxes	2,986,731	2,725,071
<i>Long-Term employee benefits</i>		
Share based payments	302,012	379,343
	36,175,887	34,063,811

Notes to the Financial Statements

Information regarding Directors' emoluments are as follows:

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Directors' fees, salaries and benefits	637,750	697,675
Employer payroll taxes	24,200	22,564
	661,950	720,239

The highest paid Director (Executive) received emoluments of \$605,000 (2024: \$645,250).

* 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.

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 2025	Year ended 31 December 2024
Directors (executive and non-executive)	5	5
Management	68	57
Field Services	339	338
Franchise Support	6	19
Administration	112	107
	530	526

Notes to the Financial Statements

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 2025	Weighted average exercise price (\$) 2025	Number of share options 2024	Weighted average exercise price (\$) 2024
Outstanding at beginning of year	2,973,000	6.24	2,773,000	6.15
Granted during the year	275,000	4.64	200,000	7.47
Forfeited/lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at end of the year	3,248,000	6.10	2,973,000	6.24
Exercisable at end of the year	2,133,000	5.75	1,612,500	4.19

Fair value of share options

During the year, the Group granted 275,000 Share Options to members of the board of directors and certain employees to address 2024 compensation, with an exercise price of £3.45 (\$4.64).

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 of \$0.94. This is based on risk-free rate of 3.69% and volatility of 45.4%.

The Black Scholes calculations for the options granted during the year resulted in a charge of \$302,012 (2024: \$379,343) which has been expensed in the year.

The weighted average remaining contractual life of the share options as at 31 December 2025 was 5 years (2024: 5.5 years).

Notes to the Financial Statements

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	2025	2024	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	100,000	100,000	100,000	01/11/2024	\$6.25	01/11/2028	01/11/2034
2024 Acquisition	35,000	35,000	35,000	01/11/2024	\$7.50	01/11/2028	01/11/2034
2024 Acquisition	35,000	35,000	35,000	01/11/2024	\$8.75	01/11/2028	01/11/2034
2024 Acquisition	30,000	30,000	30,000	01/11/2024	\$10.00	01/11/2028	01/11/2034
2025 Directors (1)	275,000	275,000		01/10/2025	\$4.64	01/10/2028	01/10/2035
Total	3,248,000	3,248,000	2,973,000				

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 October 2025, in lieu of 2024 compensation board members and certain employees received options to purchase 275,000 New Ordinary Shares at a price of \$4.64. These options have a three-year vesting requirement.

Notes to the Financial Statements

8 Finance income

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Interest income	339,321	395,729

9 Finance expense

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Interest expense	2,109,855	1,487,365
Interest on lease liabilities	311,832	203,535
Total interest expense	2,421,687	1,690,900

10 Taxation

Group	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Current tax:		
Current tax on profits in the year	305,020	1,055,201
Adjustment in respect of prior year	(49,108)	(21,772)
Total current tax	255,913	1,033,429
Deferred tax current year	1,390,158	539,061
Deferred tax prior year	-	-
Deferred tax expense (note 20)	1,390,158	539,061
Income tax expense	1,646,071	1,572,490

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	6,787,100	6,356,485
Tax calculated at domestic rate applicable profits in respective countries (2025: 19% versus 2024: 17%)	1,259,854	1,102,029
Tax effects of:		
Non-deductible expenses	83,218	99,255
Other tax adjustments, reliefs and transfers	46,053	(5,126)
State taxes net of federal benefit	347,006	391,074
Adjustment in respect of prior year	(49,108)	(21,772)
Changes in rates	(40,952)	7,030
Taxation expense recognized in income statement	1,646,071	1,572,490

Notes to the Financial Statements

The Group is subject to income taxes in multiple jurisdictions. Judgment is required in determining the worldwide provision for income taxes. 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 £2,820,563 (2024: £2,940,544) available for offset against future profits. £705,141 (2024: £735,136) 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 2025 is 22% (2024: 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 2025 \$	Year ended 31 December 2024 \$
Profit for the year attributable to equity holders of the Parent (\$)	4,940,726	4,680,130
Weighted average number of ordinary shares	17,217,593	17,391,205
Diluted weighted average number of ordinary shares	17,617,356	17,825,495
Profit per share (cents)	28.7	26.9
Diluted profit per share (cents)	28.0	26.3

Adjusted

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Adjusted Profit for the year attributable to equity holders of the	6,731,448	6,223,711
Weighted average number of ordinary shares	17,217,593	17,391,205
Diluted weighted average number of ordinary shares	17,617,356	17,825,495
Adjusted Profit per share (cents)	39.1	35.8
Diluted profit per share (cents)	38.2	34.9

*Adjusted profit is derived from adding back non-cash, net non-core costs/gains, deemed remuneration (Irish acquisition) and goodwill impairment. The detail can be found in the Strategic Report, table (vii).

Notes to the Financial Statements

12 Acquisitions

These can be summarised as follows:

In January of 2025, The Group through its ALD subsidiary, completed the asset purchase 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 August 2025, the Group announced the reacquisition of its West Georgia franchise for an initial payment of \$350,000 in cash and additional payment based on an earnout formula with a maximum aggregate price of four times profits. The transaction enables the Group to create a regional hub in the Southeast US aggregating existing corporate locations in Georgia and South Carolina.

Net sales from the date of acquisition through December 31, 2025, attributable to these acquisitions were approximately \$2,982,099. Profit from the date of acquisition through December 31, 2025, attributable to these acquisitions was approximately \$892,323.

Effective Plumbing:	Sales \$1,434,791, profit \$305,913
South Carolina:	Sales \$1,312,537, profit \$530,262
West Central Georgia:	Sales \$ 234,770, profit \$ 56,148

If the full year was consolidated, net sales and profit for 2025 would be approximately \$3,471,350 and \$999,289.

Effective Plumbing:	Sales \$1,434,791, profit \$305,913
South Carolina:	Sales \$1,529,121, profit \$603,951
West Central Georgia:	Sales \$ 517,438, profit \$ 89,425

Notes to the Financial Statements

2025 Acquisitions

	Effective Plumbing \$	South Carolina \$	West Central Georgia \$	Totals \$
Fair value of assets and liabilities acquired				
Equipment	33,600	28,450	23,399	85,449
Vehicles	74,762	62,319	9,464	146,545
Non-competes	58,000	-	-	58,000
Assets	10,712	-	-	10,712
Net assets acquired	177,074	90,769	32,863	300,705
Consideration				
Cash	400,000	2,500,000	325,000	3,225,000
Note payable	-	500,000	-	500,000
Contingent consideration	800,000	-	425,000	1,225,000
Total consideration	1,200,000	3,000,000	750,000	4,950,000
Intangible assets arising on acquisition (see note 13)	1,022,927	2,909,231	717,137	4,649,295

The intangible assets arising on the above acquisitions of \$4,649,295 are included in additions to goodwill and indefinite life intangible assets for owned & operated stores (see note 13).

Notes to the Financial Statements

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-competes	-	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)

Notes to the Financial Statements

The amount of deferred/contingent consideration for 2025 acquisitions as well as the remaining deferred consideration for acquisitions made in 2020, 2021, 2022, 2023 and 2024 can be summarized as follows:

Current	Year acquired	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Seattle	2020	-	75,000
Fresno	2024	-	900,000
Lafayette	2024	49,000	51,096
Dallas	2024	285,659	2,751,969
Effective Plumbing	2025	502,040	-
South Carolina	2025	486,398	-
West Central Georgia	2025	25,000	-
Total current deferred consideration		1,348,097	3,778,065

Non-Current	Year acquired	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Dallas	2024	3,836,511	5,332,269
West Central Georgia	2025	400,000	-
Total non-current deferred consideration		4,236,511	5,332,269

Included in Other Income, a gain of \$1,285,099 (2024: \$700,000) was recognised in the income statement arising from the remeasurement of contingent consideration liabilities related to the Dallas and Seattle acquisitions (2024: Las Vegas/Phoenix). This reflects revised expectations that the earn-out conditions will not be met

Notes to the Financial Statements

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 2024	11,234,627	39,501,094	636,711	51,372,432
Additions	-	15,205,501	-	15,205,501
At 31 December 2024	11,234,627	54,706,595	636,711	66,577,933
Additions (see note 12)	-	4,649,295	-	4,649,295
At 31 December 2025	11,234,627	59,355,890	636,711	71,227,228
Impairment				
At 1 January 2024	1,506,229	75,000	-	1,581,229
Impairment in year	-	-	-	-
At 31 December 2024	1,506,229	75,000	-	1,581,229
Impairment in year	-	125,000	-	125,000
At 31 December 2025	1,506,229	200,000	-	1,706,229
Carrying amount				
At 31 December 2024	9,728,398	54,631,595	636,711	64,996,704
At 31 December 2025	9,728,398	59,155,890	636,711	69,520,999

The increase in carrying value of Goodwill Acquisitions at 31 December 2025 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 2025 can be found in note 12 above.

The Group has classified its intangible assets into two types being Goodwill and Other indefinite life intangibles. The Group also has Property, plant and equipment, Investments and Non-current receivables.

During the year the Group has capitalised costs relating to the ongoing development of its intangibles, franchise acquisitions and purchase of property, plant and equipment.

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 - 2025 relating to the reacquisition of franchises, it is considered

Notes to the Financial Statements

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 when there are indicators of impairment and the presence of Goodwill and intangible asset not yet available for use. The cash generating units to which goodwill or intangible assets not yet available for use 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 Group has identified 4 cash generating units (CGU), being North America, Australia, United Kingdom and Ireland. The CGUs have been identified based their ability to generate cash flows independently.

These assets have been tested for impairment by assessing the value in use of the CGUs. The value in use

calculations were based on projected cash flows over the next 5 years based on a terminal rate of 3.5% being applied thereafter for all CGUs.

An annual growth rate of 5% has been applied for all CGUs for the forecast period. Growth rates are derived from market demand as well as an assessment of the CGUs' development pipeline and knowledge and experience of the directors and management were applied

Post tax WACC considered in the assessment ranged from 11.6% to 13%, while corresponding pre-tax WACC had a range of 15.3% to 16.3%.

Based on the assumptions used, the recoverable amounts of 3 CGUs namely North America, United Kingdom and Ireland exceeded the carrying values of the respective CGU and hence no impairment has been posted.

The value in use calculations using the above assumptions indicated an impairment on the Australia CGU. As a result an impairment charge of \$125,000 has been booked in the year (2024: nil). This impairment has been allocated wholly to Goodwill.

Additional sensitivity analyses were run on the Australia CGU.

Keeping all other assumptions consistent with a base case calculation, a 1% decrease in the following would result into additional impairment:

Assumption	Change in impairment
Long term Growth Rate	\$ 158,711
EBITDA margin	\$ 322,305
Sales Growth	\$60,837

The assumptions used in the impairment review are subjective and provide key sources of estimation uncertainty, specifically in relation to growth assumptions, future cash flows and the determination of discount rates. The actual results may vary and accordingly may cause adjustments to the Group's valuation in future years.

Notes to the Financial Statements

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 2024	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
Additions	5,006,843	58,000	-	-	-	-	-	5,064,843
Disposals	-	(67,164)	-	-	-	-	-	(67,164)
At 31 December 2025	14,007,257	1,145,434	1,348,450	5,233,817	134,908	1,558,208	102,000	23,530,075
Accumulated amortisation								
At 1 January 2024	-	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
Amortisation expense	-	218,830	102,469	305,304	9,096	311,642	10,625	957,966
Disposals	-	(67,164)	-	-	-	-	-	(67,164)
Exchange differences	-	124	-	-	(103)	-	-	21
At 31 December 2025	-	700,476	337,141	5,233,817	41,301	1,376,417	102,000	7,791,153
Carrying amount								
At 31 December 2024	9,000,414	605,913	1,113,777	305,304	102,600	493,432	10,625	11,632,065
At 31 December 2025	14,007,257	444,958	1,011,309	-	93,607	181,791	-	15,738,922

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.

Notes to the Financial Statements

14 Property, plant and equipment

	Equipment & displays \$	Motor Vehicles \$	Leasehold Improvements \$	Right of Use Vehicles \$	Right of Use Offices \$	Total \$
Cost						
At 1 January 2024	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
Additions	550,348	1,121,678	922,077	1,103,122	5,062,881	8,760,107
Purchase ROU Vehicles	-	36,016	-	(36,016)	-	-
Exchange differences	90,707	167,402	-	1,740	35,317	295,167
Disposals	(158,077)	(901,588)	-	(31,700)	(2,136,945)	(3,228,309)
At 31 December 2025	8,781,360	10,649,456	1,766,068	3,953,095	7,154,523	32,304,502
Accumulated depreciation						
At 1 January 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
Eliminated on disposals	(147,152)	(725,662)	-	(26,945)	(1,027,399)	(1,927,157)
Purchase ROU Vehicles	-	36,016	-	(36,016)	-	-
Depreciation expense	1,278,666	1,773,172	130,068	568,002	1,489,389	5,239,297
Exchange differences	71,468	55,797	-	1,736	13,905	142,906
At 31 December 2025	6,351,874	6,162,289	206,616	2,489,596	1,731,193	16,941,568
Carrying amount						
At 31 December 2024	3,149,491	5,202,981	767,443	933,129	2,937,972	12,991,015
At 31 December 2025	2,429,486	4,487,168	1,559,451	1,463,499	5,423,330	15,362,934

Included within additions are additions of \$231,994 (2024: \$648,357), which were acquired on the acquisition of franchises.

Notes to the Financial Statements

15 Investment in subsidiary undertakings

Company	Subsidiary Undertakings \$
Cost	
At 31 December 2024	13,304,608
Exchange difference	508,700
At 31 December 2025	13,813,307
Impairment	
At 31 December 2024	6,400,906
Exchange difference	-
At 31 December 2025	6,400,906
Carrying amount	
At 31 December 2024	6,903,702
At 31 December 2025	7,412,401

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

Notes to the Financial Statements

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 2025 \$	Year ended 31 December 2024 \$
Group Inventories	1,697,976	930,439

During the year ended 31 December 2025, an expense of \$9,380,446 (2024: \$9,795,324) was recognized in the Consolidated Statement of Comprehensive Income, including business to business expenses of \$8,833,598 (2024: \$9,243,378). There has been no write down of inventories during 2025.

17 Trade and other receivables

	Group		Company	
	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Trade notes receivable	239,554	250,500	-	-
Due from Group undertakings	-	-	19,707,249	22,041,011

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

	Group		Company	
	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Trade receivables	6,168,278	5,861,351	-	-
Prepayments	1,212,571	2,004,035	19,491	149,069
Prepaid taxes	1,539,805	1,583,930	-	-
Due from Group undertakings	-	-	6,387,121	5,676,348
Accrued royalties receivable	505,266	596,539	-	-
Trade notes receivable	127,660	103,552	-	-
Other receivables	923,661	522,892	-	-
Due from related party	238,931	262,518	-	-
Current portion	10,716,172	10,934,817	6,406,612	5,825,417

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.

Notes to the Financial Statements

The average credit period taken on sales is 26 days (2024: 26 days).

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

	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
US Dollar	8,389,095	8,897,494
UK Pound	1,077,407	1,058,038
Euros	1,075,059	726,509
Australian Dollar	166,070	215,217
Canadian Dollar	8,542	37,559
	10,716,172	10,934,817

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 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Cash at bank and in hand	6,041,905	5,452,479	25,132	44,789
Cash with period over 90 days	-	6,683,089	-	-

19 Trade and other payables

	Group		Company	
	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Trade payables	1,840,880	1,796,579	92,658	548
Accruals and other payables	5,589,261	4,952,733	140,327	142,635
	7,430,141	6,749,312	232,986	143,183

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 (2024: 38 days).

Notes to the Financial Statements

20 Deferred Tax

The analysis of deferred tax liabilities is as follows:

Group	2025 \$	2024 \$
Deferred	(4,564,997)	(3,212,788)

The movement in deferred tax liabilities is as follows:

2025	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	(3,212,788)	(1,390,158)	37,950	-	(4,564,997)
	(3,212,788)	(1,390,158)	37,950	-	(4,564,997)

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)

As also set forth, in Note 10, at the balance sheet date, the Group's UK trading operations had unused tax losses of £2,820,563 (2024: £2,940,544) available for offset against future profits. £705,141 (2024: £735,136) represents unrecognized deferred tax assets thereon at 25%. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

Notes to the Financial Statements

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 2024	17,371,538	116,150	17,487,688
At 31 December 2025	16,918,538	569,150	17,487,688

Group & Company

	Share capital \$	Share premium \$	Shares in Treasury \$
At 31 December 2024	143,192	35,417,072	(883,549)
At 31 December 2025	143,192	35,417,072	(2,514,949)

The Group has ordinary B shares of 2,080,000 shares in 2025 and 2024. The ordinary shares and ordinary B shares have a par value of \$0.01. These shares are partly paid.

Pursuant to the shareholder resolution and capital allocation policy, throughout 2025 the company has repurchased 453,000 shares into treasury at a cost of \$1,631,400.

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 2025 \$	Year ended 31 December 2024 \$
Lease liabilities in statement of financial position		
Amounts due within one year	1,845,072	1,519,823
Amount due after more than one year	5,296,410	2,543,042
	7,141,482	4,062,865
Amount recognized in the statement of comprehensive income		
Interest on leasehold liabilities	311,832	203,535
Amount recognized in the statement of cash flows		
Repayment of lease liabilities	1,971,663	1,823,143

Notes to the Financial Statements

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 2025 no trading in financial instruments was undertaken (2024: 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 2025 the Group held significant cash and cash equivalents and with 2 counterparties, 38.52% was held with one counterparty with a credit rating of A+ and a further 35.35% 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 2025, trade receivables of \$387,842 (2024: \$396,432) 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 2025 \$	Year ended 31 December 2024 \$
60-90 days	100,304	141,860
90+ days	287,538	254,572
	387,842	396,432
Average age (days)	95	95

Notes to the Financial Statements

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 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Loans and receivables				
Cash and cash equivalents	6,041,905	5,452,479	25,132	44,789
Investments	-	6,683,089	-	-
Trade and other receivables – current	10,716,172	10,934,817	6,406,612	5,825,417
Trade and other receivables – non-current	239,554	250,500	19,707,249	22,041,011
Financial Liabilities measured at amortised cost				
Trade and other payables	7,430,141	6,749,312	232,985	143,183
Borrowings – current	5,278,673	3,787,362	-	-
Borrowings – non-current	28,000,917	26,361,482	-	-
Deferred consideration – current	1,348,097	3,778,065	-	-
Deferred consideration – non-current	4,236,511	5,332,269	-	-

* Total deferred consideration includes \$4.5 million (2024: \$4.5 million) in contingent amounts based on performance goals.

Borrowings

Bank Debt

The Group through ALD (or the Company) has a commercial banking relationship with M&T Bank (M&T) with various facilities: a working capital line of credit ("WCL"); a line of credit (LOC 1); acquisition lines of credit ("ALOCs"), and term loans ("Term Loans").

The Company has various facilities: a 2024 Term Loan established in August 2024 and as amended and discussed below; a Line of Credit ("LOC 1") established in September 2025 and discussed below, and a Working Capital Line of Credit ("WCL") that existed since 2020 but was expanded in February 2026 as discussed in the subsequent events (Note 28).

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

Notes to the Financial Statements

loan. See Note 9. The balance outstanding on the consolidated balance sheets at December 31, 2025 and 2024 was \$19,617,500 and \$20,650,000, respectively.

In addition to the refinancing, M&T also expanded the credit capacity by providing an additional \$3,000,000 acquisition line of credit ("ALOC") to the Company. The ALOC bears interest at a rate per annum equal to 2.85% plus SOFR. Any outstanding draw downs convert into 5-year term notes and bear interest at a rate per annum equal to 3% plus SOFR. In January 2025, the ALOC draws were converted into a 5-year term note, requiring payments of principal of \$50,000, plus interest, to be paid monthly beginning in January 2025 until maturity in January 2030. The balance outstanding on the consolidated balance sheets at December 31, 2025 and 2024 was \$2,400,000 and \$3,000,000, respectively. Upon conversion, the 2024 ALOC is considered governed by the 2024 Term Loan.

A \$2,000,000 WCL was amended in September 2025 and subsequently expanded in February 2026, as noted previously, is secured by substantially all of the assets of the Company and those of its parent company, ALDHC, and ALDHC's parent, Water Intelligence plc and other related parties. The WCL is extended through December 2027 and has a balance outstanding on the consolidated balance sheets of \$825,000 and \$0, at December 31, 2025 and 2024, respectively.

In September 2025, M&T provided the Company with a line of credit ("LOC 1"). The LOC 1 bears interest at a rate per annum equal to 2.10 percentage points in excess of SOFR and is due upon demand. The LOC 1 is secured by the Company's investment account. The balance outstanding on the balance sheet of ALDHC at December 31, 2025 and 2024 was \$900,000 and \$0, respectively.

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, 2025.

	Current		Non-Current	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
Financial Instruments	\$	\$	\$	\$
External borrowings	3,511,807	2,384,772	22,884,187	24,079,212
Less: Loan Closing Costs	(78,206)	(117,233)	(179,680)	(260,772)
Lease Liabilities	1,845,072	1,519,823	5,296,410	2,543,042
Total	5,278,673	3,787,362	28,000,917	26,361,482

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 14.

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.

Notes to the Financial Statements

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 2025 were \$74,772 (2024: \$95,605). No foreign exchange contracts were in place at 31 December 2025 (2024: Nil).

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

	Group		Company	
	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$	Year ended 31 December 2025 \$	Year ended 31 December 2024 \$
Assets				
Sterling, Euro, Australian and Canadian Dollars	3,892,543	3,542,691	26,138,993	27,911,217
Liabilities				
Sterling, Euro, Australian and Canadian Dollars	2,712,357	2,161,652	232,985	143,183

As shown above, at 31 December 2025 the Group had Sterling, Euro, Australian and Canadian denominated monetary current assets of \$3,892,543 (2024: \$3,542,691). If the foreign currency weakens by 10% against the US dollar, this would decrease net assets by \$389,254 (2024: \$354,269) with a corresponding impact on reported losses. Changes in exchange rate movements resulted in a gain from exchange differences on a translation of foreign exchange of \$156,321 in 2025 (2024: loss of \$173,851), 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 \$19,617,500 (2024: \$20,650,000) and borrowings for which there are no interest rate swaps are \$6,520,608 (2024: \$5,435,979).

Interest rate sensitivity analysis

The gains/losses recorded by both the Group and the Company for the year ended 31 December 2025 would not materially change if market interest rates had been 1% higher/lower throughout 2025 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 2027. 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.

Notes to the Financial Statements

Group	0-6 months \$	6-12 months \$	2-3 years \$	4-5 years \$	>5 years \$	Total \$
2025						
Payables	7,430,141	-	-	-	-	7,430,141
Lease liabilities	1,095,672	749,400	2,102,863	1,458,624	1,734,924	7,141,482
Borrowings	1,190,185	2,243,415	6,129,506	16,572,807	2,194	26,138,107
Deferred consideration	1,179,505	168,592	4,167,583	68,928	-	5,584,608
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

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

Group	0-6 months \$	6-12 months \$	>12 months \$	Total \$
2025				
Payables	-	-	-	-
Lease liabilities	171,126	146,723	859,367	1,177,216
Borrowings	863,449	817,427	3,491,250	5,172,127
Deferred consideration	27,336	19,644	41,817	88,797

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 \$19,617,500 at December 31, 2025 (2024: \$21,000,000), and a fair value of \$(21,189) (2024: 491,824), which was included as an asset on the balance sheet.

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.

Notes to the Financial Statements

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 2025	23,818,440	2,267,539	4,062,865	30,148,844
Cash flows				
- Repayment	(2,161,053)	-	(1,971,663)	(4,132,716)
- Proceeds	1,725,000	-	-	1,725,000
Non-cash				
- New Leases	-	-	5,050,281	5,050,281
- New Loans	488,181	-	-	488,181
- Reclassification	(1,166,061)	1,166,061	-	-
As at 31 December 2025	22,704,507	3,433,601	7,141,482	33,279,590

	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

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:

Assets measured at fair value	Date of valuation	Fair value measurement using			
		Total	Quoted process in active markets (Level 1)	Significant observabl e inputs (Level 2)	Significant unobserva ble inputs (Level 3)
		\$	\$	\$	\$
Listed equity investments					
SEEN investment	31 December 2025	292,067	292,067	-	-
SEEN investment	31 December 2024	292,067	292,067	-	-
Derivative financial assets					
Interest rate swap	31 December 2025	(21,189)	-	(21,189)	-
Interest rate swap	31 December 2024	491,824	-	491,824	-

Notes to the Financial Statements

To estimate fair value, the lower end of the bid-offer spread as at 31 December 2025 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 \$10,749 and \$15,784 for the years December 31, 2025 and 2024, respectively. The guarantee fee expense for the PSS guarantee amounted to \$174,324 and \$133,840 for the years ended December 31, 2025 and 2024, respectively. During 2025 the Company paid expenses on behalf of PSS in the amount of \$60,321.

The Company also paid for operating expenses on behalf of a separate related party with amounted to \$79,668 in 2025. The related receivable/prepaid balance remaining is \$238,932 and \$262,518 at December 31, 2025 and 2024, respectively.

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

Water Intelligence International Limited	\$
Balance at 31 December 2024	5,676,348
Net loans to subsidiary	252,723
Other expenses recharged and exchange differences	458,049
Balance at 31 December 2025	6,387,121

ALDHC	\$
Balance at 31 December 2024	-
	-
Balance at 31 December 2025	-

Notes to the Financial Statements

ALD Inc.	\$
Balance at 31 December 2024	22,041,011
Loans paid to WI	(2,050,000)
Other expenses recharged and exchange differences	(283,763)
Balance at 31 December 2025	19,707,249

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 February 2026, ALD expanded its credit facility with M&T bank. First, the working capital line of credit was expanded to \$3.8 million, of which \$825k was drawn down in 2025 and \$500k in 2026. Second, the 2024 Term Loan was expanded to \$23.5 million with an advance of \$2.5 million.

In March 2026, The Group completed the reacquisition of its franchise covering parts of Southern Colorado within the Group's ALD franchise business. The purchase price was \$200k.

In March 2026, the Group executed a strategic partnership agreement with Lookout Labs, Inc. (dba Bluebot). Bluebot owns a high quality wireless monitoring device distinguished by its ease of installation. ALD is the exclusive partner with respect to installation services and has preferred terms for product sales and "White Labeling" as ALD.

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.

