



RNS Number: 0416P
Water Intelligence PLC
05 February 2019

Water Intelligence plc

(“WATR” or the “Company”)

January Corporate Transactions and Technology Update

Water Intelligence plc (AIM: WATR.L), a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water is pleased to announce a series of corporate transactions that reinforce its growth trajectory for 2019 and beyond.

Highlights

- Acquisition of Ontario (Niagara), Canada franchise, expanding corporate presence into Canada and Upstate New York
- Sale of a new franchise territory for Youngstown, Ohio (US)
- Financial support to an Idaho (US) franchise accelerating expansion into municipal offerings
- Formal launch of ORCA municipal sewer product into the United States following trials at a UK water utility

Corporate Transactions

A few weeks ago, Water Intelligence began 2019 with the announcement of a proposed board change to add a senior member of our franchise business with significant operating experience. We discussed the “strong alignment of interests between our growing corporate operations and the growing American Leak Detection franchise business”. The Company now announces three transactions and a technology update that illustrate the importance of such alignment in unlocking shareholder value in multiple ways during 2019 and beyond. These transactions underscore that American Leak Detection (“ALD”) and UK-based Water Intelligence International (“WII”) business lines are complementary and growth is accelerating. A broader discussion will be set out in the next few weeks with a 2018 Trading Update that reinforces our previous strong guidance. The Company is currently closing its December franchisee royalty reporting on schedule.

First, the Company announces the reacquisition of its ALD franchise in Ontario (Niagara), Canada. The franchise achieved approximately US\$450,000 of sales during 2018. The former owner, Richard Johnson, will be joining corporate management to lead the Niagara region and open new locations in nearby upstate New York such as Buffalo and Syracuse. It should be noted that the plan has a head start given that WII’s municipal business recently won a contract in Syracuse to be executed during 1H 2019.

With Mr. Johnson’s leadership, the Company plans to grow Canada by following a similar strategy that worked during 2018 for growing the Australian market. In that geography, the Company first reacquired its former Sydney franchise to establish a corporate base to support franchisee growth throughout Australia. The Company then followed that launch with WII municipal contract wins with Hunter Water and Sydney Water.

More broadly, Mr. Johnson's overall leadership for the American Leak Detection franchise system reinforces the Company's direction of creating "one multinational brand with corporate and franchise locations growing synergistically."

Second, the Company announces a sale of a new franchise territory – Youngstown, Ohio – to a current franchise owner who is also a leader within the ALD System. As part of the Company's evolving growth strategy, regional corporate offices such as fast-growing Cincinnati, Ohio (itself a former franchise location) can now support franchise owners in expanding their growth trajectory with the purchase of additional territory. Given the size of the US market, there are various greenfield sites, such as Youngstown, that would add to the brand, growth trajectory and fit our national accounts strategy with insurance companies. Working together with our franchisees, the Company will fill-in such greenfield opportunities.

Third, the Company announces its financial support to assist a franchise in Idaho to jump-start expansion from leak detection to repairs and municipal. Such expansion coincides with demand from our national insurance partners for ALD to both pinpoint leaks and make the repairs – our "One Stop Shop" value proposition as we have always underscored. The Company will discuss such expansion of its offerings in its upcoming 2018 trading update.

Technology Update

Finally, as previously discussed in our Q3 Update, the Company invested during 2018 to develop cutting-edge sewer diagnostic technology to enhance the leadership of its fast-growing WII business. Trials of the product with UK water utilities during Q4 2018 have gone well and commercialization is on schedule. The Company will now be demonstrating its new product and solution offering at the international Water and Wastewater Equipment, Treatment and Transport show (WWETT) in Indianapolis during 20-23 February. The product and service offering will be then introduced throughout the entire ALD franchise system during 2019.

Registered Office Change

The Company is moving its registered corporate office to 27/28 Eastcastle St., London W1W 8DH which will become effective 11 February 2019.

Dr. Patrick DeSouza, Executive Chairman, commented: "We are off to a fast start in 2019. These transactions unlock significant shareholder value both from synergies and expansion into new offerings. Water Intelligence is scaling operationally with multiple business lines and can execute such complementary transactions again and again going forward to reinforce *sustainable* growth – an objective that I have previously stated. It is important to remember that given the size of the global water and infrastructure market that we are just at the beginning of creating significant shareholder value with a great company and brand. I look forward to updating the market on our 2018 results."

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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