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THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (REGULATION 596/2014/EU) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR").

12 November 2021

## Water Intelligence plc

("Water Intelligence" or the "Company" or the "Group")

### Results of Placing

### Exercise of Options

Water Intelligence, a leading multinational provider of non-invasive leak detection and remediation services for both potable and non-potable water, announces the successful completion of its placing announced earlier today (the "**Placing**") which has closed significantly oversubscribed.

The transaction comprised both the placing of 1,016,667 New Ordinary Shares to raise approximately £12.2 million and the placing of 25,000 New Ordinary Shares through the exercise of options to raise £0.3 million.

A total of 1,041,667 new ordinary shares (the "**New Ordinary Shares**") were placed at a price of 1,200 pence per share (the "**Placing Price**"), raising gross proceeds of £12.5 million, in excess of the target size of at least £10 million. The Placing received strong demand from existing institutional shareholders as well as new long only institutional investors. The Placing was conducted by way of an accelerated bookbuild process. RBC Europe Limited (trading as "**RBC Capital Markets**") is acting as lead bookrunner whilst Dowgate Capital Limited ("**Dowgate**") and WH Ireland Limited ("**WH Ireland**") are acting as joint bookrunners in connection with the Placing (collectively the "**Joint Bookrunners**").

As outlined in the launch announcement for the Placing, proceeds will primarily be used for the continued re-acquisition of American Leak Detection ("**ALD**") franchises (the "**Franchise Buy-Backs**"). The transaction will help the Company to accelerate its growth strategy of building a "One-Stop-Shop" water infrastructure platform. The Company may also use a portion of the proceeds for bolt-on acquisitions and to finance additional training centres.

- **Franchise Buy-Backs:** The Company has identified four near-term franchise targets representing revenues of over \$10 million in aggregate. The Franchise Buy-Backs are expected to be EPS accretive. The four franchise targets identified will enlarge ALD's regional hubs creating scale, operational efficiencies and broadening the Company's offerings in the United States in the Northwest, Southern California, the Midwest and the South. Strengthening the Company's regional hubs enables it to leverage corporate marketing and management to assist with franchise growth.

- **Bolt-on acquisitions:** A pipeline of potential near-term bolt-on acquisition opportunities has also been identified by the Company which will enable it to add capability to its water value chain.
- **Training centres:** The Company may also use the proceeds of the capital raising to finance additional training centres to add technicians and trucks for scalable organic growth from each location given Salesforce implementation.

**Dr. Patrick DeSouza, Executive Chairman of Water Intelligence, commented:**

*“We are pleased to announce the successful close of our oversubscribed capital raise which received significant demand from existing and new investors. We appreciate the continued support of our existing investors and are pleased to welcome new high quality institutional investors to our shareholder register. The proceeds will help us accelerate our ambitious growth strategy of building a leading multinational water infrastructure platform. Global market demand for water and wastewater infrastructure solutions is only growing and impacted by the realities of climate change. We look forward to taking a leadership role in providing solutions globally.”*

**Exercise of Share Options**

The Company has also received notice that a franchisee has exercised options over 25,000 new ordinary shares of 1 pence each (“**Option Shares**”). The Option Shares are also expected to be admitted to trading at 8.00 a.m. on or around 17 November 2021. The Option Shares will be sold alongside the Placing Shares.

The New Ordinary Shares and Option Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing ordinary shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

**Admission and Total Voting Rights**

Application has been made to the London Stock Exchange for the Placing Shares and Option Shares (as defined below) to be admitted to trading on AIM and it is expected that admission will become effective and that trading will commence in the Placing Shares and Option Shares at 8.00 a.m. on or around 17 November 2021 (“Admission”). The Placing is conditional on, among other things, Admission becoming effective and the placing agreement between the Company and the Joint Bookrunners being entered into and not being terminated in accordance with its terms.

Upon Admission, the issued share capital of the Company will be 19,447,688 shares, divided into 17,367,688 ordinary shares of 1 pence each (of which 36,500 ordinary shares will be held by the Company in treasury) admitted to trading on AIM and which entitle the holder to 1 vote per ordinary share; and 2,080,000 nil paid B ordinary shares of 1 pence each which are not admitted to trading on AIM but which otherwise rank *pari passu* with the ordinary shares (save that they may not participate in any distribution or return of capital until they are fully paid).

Accordingly, the Company's total voting rights following Admission will be 19,411,188 shares. This total voting rights number may be used by shareholders at Admission as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA's Disclosure Guidance and Transparency Rules.

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**Notes to Editors****About Water Intelligence**

Water Intelligence plc (AIM: WATR.L) is a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water.

## IMPORTANT NOTICES

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF THE PROSPECTUS REGULATION AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED (THE "UK PROSPECTUS REGULATION"), WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; (3) PERSONS TO WHOM THE ANNOUNCEMENT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN WATER INTELLIGENCE PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES ONLY IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT ("REGULATION S") AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is

required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

Neither this Announcement nor any part of it constitutes or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "United States" or the "U.S.")), Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to exemptions under the Prospectus Regulation or the UK Prospectus Regulation from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not require the approval of the relevant communication by an authorised person.

The Placing Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "Placee") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

This Announcement may contain, and the Company may make, verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations

set forth in any forward-looking statements. Forward-looking statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Undue reliance should not be placed on forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Each of RBC Capital Markets, WH Ireland and Dowgate are authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and RBC Capital Markets, WH Ireland and Dowgate will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement. Each Placee should consult with its own advisers as to the legal, tax, business and other features and consequences of an investment in Placing Shares.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected or received from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

## **Information to Distributors**

### **UK product governance**

**Solely for the purposes of Paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the product governance requirements contained within Chapter 3 of the FCA Handbook Production Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors, investors who meet the criteria of professional clients and eligible counterparties, each as defined in the UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "UK Target Market Assessment"). Notwithstanding the UK Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Placing Shares may decline and investors could lose all or part of their investment; (b) the Placing**

Shares offer no guaranteed income and no capital protection; and (c) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

#### **EEA product governance**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures in the European Economic Area (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in the MiFID II Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EEA Target Market Assessment"). Notwithstanding the EEA Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EEA Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EEA Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EEA Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares determining appropriate distribution channels.