

2020 - INVESTMENT OPPORTUNITY

Patented process for renewing aged water pipes without the need to dig up the pipes

Website: www.aqualiner.co.uk

Location: Loughborough, UK

Stage: First sales

Fundraise this round: £1mil*

Overall funding to date: £5.8 mil

Current Burn Rate: £45k/month

Pre-money valuation: £5.4mil

Team

- Chairman: Dr Dec Downey
- CEO: Archie Adams
- NED: Julian Rogers-Coltman

Number of staff: 4 (4 consultants)

Year established: 2007

Expectation of return on investment: "10 times over 4 years"
(P/E 14x)

Key developments: Trial installations with UK water Cos, Regulatory approval, New Patent application. various approaches to buy Co

SUMMARY

Funding required for the first live installations of a unique patented process for renewing drinking water pipes. The process was developed in conjunction with Severn Trent, Anglian, Yorkshire and Wessex Water.

MARKET

The UK has 405,000km of water pipes. It is estimated that 120,000km are in need of replacement (£15bn). The US EPA estimates that water infrastructure repairs may be US\$633bil over 20 years. In 3 years, the Company is projecting an annual install rate of 875km which represents 0.018% of the 5,000,000kms of European & US drinking water pipes.

PRODUCT

The process involves winching a thermoplastic sock into a pipe. An inflation tube then pushes a heated "pig" through the sock, melting it against the pipe. It then cools to form a solid pipe. The business model is to protect the technology, to exploit the IP & know how by licensing to utility contractors and to sell them equipment and materials.

COMPETITION

Aqualiner has the only fully structural drinking water liner with UK regulatory approval. Replacement methods involve laying or drilling a new pipe in or by inserting a pipe in the existing host pipe. These methods are either slow to install, significantly reduce the pipe flow capacity, very disruptive in urban environments both above and below ground and/or are expensive.

FUNDING REQUIREMENT* & GROWTH STRATEGY

Raising £1.2mil to mainly fund its "major milestone" of the initial UK live installations. Aqualiner then plans to raise £2.5mil at an increased valuation. The Company is prepared to do the complete funding in one tranche. The Company will then leverage the product into the market through licensing the technology to global utility contractors.

OWNERSHIP & EXIT TIMETABLE

Founders 25%, HNW 40%, European Institutions & Brokers 26% and Equipment supplier, Licensee & others 9%. Planed IPO in 12-18 months. A successful trade sale is also possible having already received two independent offers to buy the business, one for US\$21 million.

PROJECTED FINANCIALS

('000)	2020	2021	2022
Revenue	1,477	10,599	37,047
Costs (all)	2,419	9,645	27,326
Net Profit	(942)	(954)	9,719

Achieving 10% European market share equates to in excess of £1bn in revenue

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