



## NOVEMBER 2021 – UPDATE

- ✓ **£2.5M funding oversubscribed - Raised £2.85m**
- ✓ **Re-approval UK regulatory approval (DWI Reg31) - for 5 years expiring November 2026.**
- ✓ **Aqualiner's first Patent to be granted in United States**
- ✓ **Operational expansion. Development centre increased by 50%**
- ✓ **Active discussions with a number of UK water companies & global utility contractors**
- ✓ **Raising the Company's profile**

### ❖ **£2.5M funding oversubscribed - Raised £2.85m**

We would like to thank all of the shareholders who supported the Company in this round either through investment or referring other interested investors. We will be using the funds in three main activities:

1. Developing equipment for licensed installation contractors
2. Evaluating alternative raw material suppliers and improving manufacturing capabilities
3. Expanding the business to adapt and meet the demand of global licensed contractors conducting commercial installations

Having completed the initial live installation our next key milestone is to modify our equipment ready to be consistently used by utility contractors. The main activity is to develop commercial lining capability with an expanded pipe diameter range capability (100mm - 300mm), increased lining single shot length (120m) and lining speed. Our current focus is to develop out the heating pig range and centralise the various elements of process control.

In addition, we have been working with a supplier of thermoplastic roving and fabric materials to provide an optimised and lower cost approved liner material supply. We have established a specialist raw material testing facility by replicating, in our development centre, the unique way we process the material underground.

### ❖ **Received Regulatory Re-approval certification of our unique structured liner**

We have received re-approval of our UK regulatory approval (DWI Reg31) for a further 5 years expiring November 2026. DWI Reg31 is the UK regulatory approval for products that are for use in contact with water intended for human consumption. Re-approval provides assurances that products have not changed and so continue to be suitable for contact with drinking water, all products are now subject to a re-approval process five years after the initial approval date. In addition, the Company passed its US regulatory approval (NSF61) annual audit/inspection.

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business achievements/performance of Aqualiner and certain of the plans and objectives of management of Aqualiner with respect thereto. These statements may generally, but not always, be identified by the use of words such as 'should', 'expects', 'estimates', 'believes' or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they reflect Aqualiner's current expectations and assumptions as to future events and circumstances that may not prove accurate: a number of factors could cause Aqualiner's actual financial condition, results of operations and business achievements/performance to differ materially from the estimates made or implied in such forward-looking statements. No representation or warranty (expressed or implied) is given as to the accuracy or completeness of the contents of this document and no liability is accepted for its contents or any omissions from it.

❖ **Major milestone in IP expansion – Aqualiner’s first Patent to be granted in United States**

We received notification of intention to grant Aqualiner’s first Patent in United States. The official patent grant is expected in the coming weeks. The US is the largest market for pipe replacement. In 2018 the EPA’s 6th Drinking Water Infrastructure Needs Survey and Assessment showed \$472.6 billion is needed to maintain and improve the nation’s drinking water infrastructure over the next 20 years. The EPA’s assessment shows that improvement is needed in distribution and transmission to replace or refurbish ageing or deteriorating pipelines at a cost of \$312.6 billion. This is mainly due to pipes that were installed during the middle of the 20th century that are likely to begin to fail in large numbers.

The grant of the US Patent will be a significant addition to our expanding patent portfolio. Aqualiner’s first patent (GB2554431) now covers the UK, 8 European countries, Japan and the one soon to be granted in the US. It is still pending grant in Australia. Our second patent (GB2571127) has been granted in the UK and remains pending in Europe, US, Canada, Japan and Australia. The continued expansion of our Intellectual Property is very significant as it is the foundation of the value of the business and directly related to the value of territorial licenses as well as extending our protections to 2038.

Aqualiner was originally granted, by a consortium including Severn Trent Water, Anglian Water and Yorkshire Water, exclusive worldwide rights for the use of patents covering the lining process and related equipment. These patents covered the applications of the original Aqualiner prototype, but additional patent protection has been and is being sought by Aqualiner as the design and applications develop. Our current product and material development is providing further scope for additional patent application.

❖ **Development centre increase by in excess of 1,400 ft<sup>2</sup> - Operational and engineering team expansion.**

We are installing a large mezzanine floor in our development centre in Loughborough providing a 50% enlargement of offices/workshop area for our increasing specialist engineering/commercial capability. Recruitment process is underway as we are working with a number of specialist engineering recruitment agencies. We have taken on 2 additional employees and we are seeking a further 4 by Q1 2022. The availability of people with the relevant skillset is an obstacle but we are confident that we can obtain them in this timeframe.

❖ **Discussions with a number of UK water companies & global utility contractors re commercial deployment**

Following the live installation and Severn Trent’s report we have received considerably interest from UK water companies. A number of them are now conducting internal commercial evaluation for the adoption of the process. We continue to have discussions with interested potential partners/licensees in Europe & Asia.

❖ **We are actively raising the Company’s profile**

- Website being reviewed and upgraded
- LinkedIn Profile being built with regular additional postings ([please follow us!](#))
- Media coverage

In September we exhibited at “No Dig Live” Conference and Exhibition in Peterborough with OnSite, our UK licensee. No-Dig Live is attended by substantial numbers involved in the installation or refurbishment of underground utilities and represent a worldwide perspective of trenchless technology in one place. This gave an opportunity to meet and discuss with water companies and contractors.

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