



Curing Leaks in Water Pipelines

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The Investment Opportunity

In spite of water being so fundamental to human survival, an astonishing 32 billion cubic meters are lost in water distribution systems every year according to the World Bank. It may be stating the obvious but curing the leaks is the most direct approach to solving the problem of lost water. Yet since distribution systems are largely located underground intervening is extremely difficult. Moreover, it has been determined by the International Water Association (IWA) through component analysis that in typical systems 70% of the leakage is caused by undetected leakage which runs continuously. It is not uncommon for mains to leak 10,000 liters per km/per day and more. With current technology undetected leakage can be mitigated but not solved through mains pressure management. A more comprehensive solution is needed to handle this leakage and even the various derivatives of pipeline replacement technology despite being prohibitively costly are not designed to solve the problem. This disturbing wide scale problem is waiting for an innovative breakthrough solution. Could that wait be over? Curapipe has an exciting technology solution that is specifically designed to address this problem.

Curapipe has successfully developed a powerful tool for trenchless intervention addressing the most significant water system leakage component: Undetected Leakage

Key Investment Merits

- *No similar solution on the market*
- *Estimated \$8 billion annual addressable market*
- *Novel, inventive and applicable IP*
- *Very strong positive reaction from industry*
- *A highly skilled technology team (mostly PhDs)*
- *Not capital intensive*

Curapipe's Curing Solution

Although it is highly innovative Curapipe's solution applies poly or gel pigging technology used throughout the pipeline industry. The value proposition is a Trenchless Automated Leakage Repair (TALR) intervention delivered through partnering with four defining pillars:

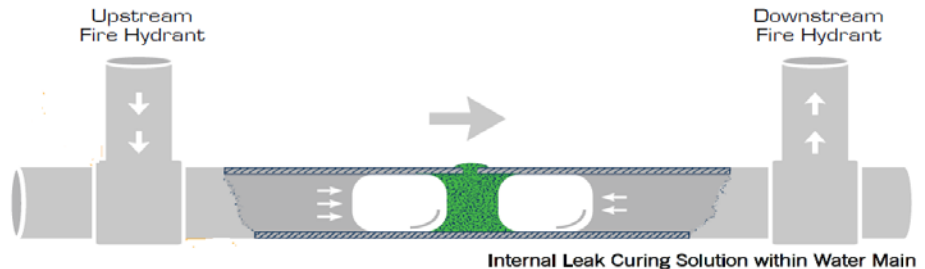
- **A low cost alternative to mains replacement**
- **A non-disruptive solution (trenchless no dig level)**
- **Fully automated (detect-seal-cure)**
- **Rapidly deployed**



Curapipe's Curing Process

- Launch a pig train into an isolated leaky mains
- The train contains special viscous curing substance lodged between the pigs
- When encountering a leak the substance operating under pressure from both ends, penetrates and seals it
- Substance hardens and leaks are permanently cured

Technology Highlights	
➤	Highly innovative
➤	Technological barrier
➤	Applies standard pigging technology
➤	11 patent claims



Solution Benefits

- ✓ A strong method for reduction of total leakage
- ✓ Can address low and high levels of leakage
- ✓ Curing of most types of pipelines (i.e. cast/ductile iron or PVC distribution mains, etc.)
- ✓ Cures all types of pinholes, longitudinal and circumferential cracks
- ✓ Leak curing of problematic service connections
- ✓ No limit on number of leaks and cracks
- ✓ Logging of leakage reduction (liters/day)
- ✓ Extends asset lifetime

Executive Management

Peter Paz ,CEO - brings to the table 25 years of combined strategic, business and marketing experience. A cofounder of Telegate; a growth business later acquired by Terayon for \$400 million and later on as Terayon corporate VP business development & marketing integrating businesses of nine companies acquired by Terayon. In the past 8 years provided business development services and consulting to over 20 growth companies including major local brands such as Comverse, Straus, Johnson & Johnson as well as a faculty member at the Wharton – Recanati Global Consulting Program; a select joint course for Wharton-Recanati MBA Students.

Ofer Vicus, VP Business Development - Ofer is a results-driven professional with over 12 years of expertise in international business development. His main focus is on aggressive business acceleration with a unique interest in the clean technology domain. Among his accomplishments include the development of a multimillion dollar OEM agreement with various global companies with an annual sales target of \$12M, the establishment of a \$3 million R&D center in Europe saving corporate above \$6 million in OPEX annually. Ofer has successfully acted on behalf of several cleantech companies, introducing them to international global players for large deal generation and significant value to the revenue model. Ofer is an honour industrial engineer and MBA of the Northwestern Kellogg School of Management and Tel Aviv University Joint Executive program (EMP).

Perstnev Samuel, PhD, CTO - Samuel Perstnev has a Msc. mechanical engineering degree from the Polytechnic Institute of Kharkov, Ukraine and a PhD in hydraulics, and materials. Samuel Perstnev is also an experienced researcher with an in-depth experience in realization of innovative products throughout his record acting as a group leader of scientific employees from the USSR in A.K. Industries Ltd.

Financial Highlights

- Even at a conservative level company revenue reaches \$16 million in the third year of sales.
- Despite conservative assumptions revenue CAGR is an impressive 176% reaching \$32m in 2015.
- Operating profit breaks even in the first year of sales due to high profitability.
- Peak operating loss is less than \$1m, reducing the overall investment risk.

