

EXECUTIVE SUMMARY

Company Background. Four UW-Madison scientists formed AquaMost in 2006 to commercialize a new water treatment technology – photoelectrocatalytic oxidation (PECO). The device and key system components are patented and exclusively licensed from the Wisconsin Alumni Research Foundation (WARF) with fields of use in the environmental remediation (ER), wastewater treatment, and aquaculture/aquarium industries. In cooperation with a key strategic partner (Encotech, Inc., Eighty Four, PA), AquaMost is positioned to rapidly enter the \$1.5 billion ER segment of the \$30 billion worldwide wastewater treatment device market.

Product. PECO uses ultraviolet (UV) radiation (including sunlight in some applications) and cutting-edge, light-activated electrodes to generate powerful oxidants to destroy a wide variety of toxic water pollutants that can cause human health problems, including birth defects and cancer. The AquaMost PECO device is more effective and far less expensive to manufacture and operate than competing technologies, and provides an excellent value proposition to AquaMost's customers.

Customer Needs and the PECO Solution. Over 136,000 sites in the US are contaminated with gasoline additives from leaking underground storage tanks (LUSTs). The most important compounds of interest are benzene, toluene, ethylbenzene, xylenes (BTEX), and methyl *tertiary*-butyl ether (MTBE). All are hazardous to human health, and difficult and expensive to remediate in contaminated groundwater. Owners of contaminated sites hire ER service/consulting companies (AquaMost's customers) to remediate the pollution to comply with Federal and state regulations, eliminate human health concerns, and avoid paying fines. AquaMost's ER customers will use PECO technology as a stand-alone treatment option or incorporate PECO into larger integrated treatment systems. PECO destroys pollutants directly, and also extends the life of

granular activated charcoal (GAC), which is another key and expensive component of most LUST remediation projects.

After establishing a foothold in the ER marketplace, AquaMost will expand into the industrial water treatment sector where PECO has shown the ability to destroy a variety of industrial toxic chemicals that can pollute the nation's water supply. The EPA monitors pollution from industrial sites, and site owners pay heavy fines for non-compliance with federally mandated pollution discharge limits.

Management Team. AquaMost's CEO is Mr. Kyle Montgomery. Kyle holds an MBA from UW-Madison where he participated in an applied practicum on starting and growing technology startups. Mr. Montgomery has been with Aova Technologies (\$6 million raised in private equity) since 2006. Mr. Montgomery's current position is VP of Sales and Marketing, and he has experience in brand introduction, establishing strategic partnerships, and contract negotiations for product distribution, manufacturing and R&D. Dr. Terence Barry (Senior Scientist, UW-Madison) and Mr. Frank Kang (Senior Electrical Engineer, Gilson, Inc.) round out the management team and will direct AquaMost R&D.

Financing Required. AquaMost has a milestone-based development strategy. Stage I: Proof of Concept and Customer Validation, recently completed using funds from a SBIR grant and DOC loan. Stage II: Design Optimization and ER Market Entry (currently seeking \$1,000,000 equity capital). Milestones include (1) optimize, brand and tool the device for use in the ER marketplace, and (2) generate product sales from signed distribution contracts having pre-arranged sales milestones. In addition, the management team will be completed by hiring Frank Kang as senior engineer.