

22 November 2017

Amiad Water Systems Ltd.
(“Amiad” or the “Company”)



Licensing Agreement with Dow Global Technologies
Expansion of product range with TEQUATIC™ PLUS Filter

Amiad (AIM: AFS), a leading global producer of water treatment and filtration solutions, announces that it has entered into a Patent and Technology License Agreement (the “Licence Agreement”) with Dow Global Technologies LLC (“Dow Global Technologies”) under which Amiad has been granted an exclusive royalty-bearing licence to use and sell the TEQUATIC™ PLUS Filter. The TEQUATIC™ PLUS Filter, which delivers a consistent level of solids removal from difficult-to-treat, highly loaded water, will expand Amiad’s product range to include a synergistic technology that offers a unique solution for key markets in the oil & gas and industrial segments.

The TEQUATIC™ PLUS Filter was manufactured and sold by Clean Filtration Technologies, a subsidiary of Dow Global Technologies, from its operations in Menlo Park, California, to customers primarily in the US. Clean Filtration Technologies will now cease the manufacture and sale of the solution, and Amiad will take over new product manufacturing and support to the existing customers.

The Licence Agreement, under which Amiad will pay Dow Global Technologies a fixed percentage of 3.75% of future product revenues, is in line with the Company’s strategic plan, as stated in the interim results announcement, to grow via complementary product additions as well as focus on the North American market. The Company believes the future potential of the product is attractive and that the key benefits for Amiad are that it:

- Enhances Amiad’s product portfolio with the addition of a new technology that offers a unique solution for key target markets such as oil & gas
- Generates cross-selling opportunities for the Company’s existing products as it enables Amiad to move up the value chain by providing a solution for another stage in the treatment cycle
- Potential to contribute to Amiad revenue for both new products and consumables. Amiad is targeting sales of \$2-3m p.a. in the short term, and anticipates achieving break even during the first one to two years and profitability from the third year
- Strengthens Amiad’s customer base in the US in the oil & gas and industrial segments, and provides an opportunity to combine Amiad products with the new TEQUATIC™ PLUS products
- Establishes a relationship with Dow Water & Process Solutions, which the Company believes offers potential opportunities going forward

The TEQUATIC™ PLUS Filter is specially designed to treat highly loaded water containing elements such as fats, oil, grease and fibre, which is particularly prevalent in industries such as oil & gas and food & beverage. It combines in a single device the power of continuously cleaning, cross-flow filtration with forced settling and solids collection. The unique, patented design delivers the highest possible flow and maximum solids separation without constant filter plugging or forming a filter cake layer. As with Amiad’s existing portfolio, the TEQUATIC™ PLUS Filter is automatic, self-cleaning, chemical-free and operationally efficient with a compact footprint.

Amiad has also purchased the TEQUATIC™ PLUS Filter manufacturing equipment and inventory from Clean Filtration Technologies. Amiad intends to install the manufacturing equipment as an additional production line at its US headquarters in Mooresville, North Carolina, which is expected to occur during December. The Company will hire a small number of employees, currently employed by Clean Filtration Technologies in engineering, sales and support functions, to facilitate the transition and ensure seamless support for the existing TEQUATIC™ PLUS Filter customers. The Company intends to initially focus the sales efforts on the North American market, but expects this to be expanded to Amiad’s other global markets in the future.

Dori Ivzori, Chief Executive Officer of Amiad, commented: “We are delighted to have signed this agreement with Dow Global Technologies to become the exclusive global provider of the TEQUATIC™ PLUS Filter. This technology expands our product portfolio by adding a unique solution for high-solids filtration for difficult-to-treat water in industries such as oil & gas, which is a strategic focus for Amiad. It also strengthens our offer and customer base in our key market of North America. We welcome the existing Clean Filtration Technologies customers and employees to Amiad, and we look forward to continuing to develop this fantastic technology.”

Enquiries

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About Amiad

Amiad Water Systems (AIM: AFS) is a leading global producer of automatic, self-cleaning water treatment and filtration products and systems. Through its engineering skills and ability to innovate, Amiad provides cost-effective “green” solutions for the industrial, municipal, irrigation, oil & gas and ballast water markets. In these segments its patented products are being integrated into the core of systems for filtration and water treatment, micro irrigation and membrane protection, wastewater and potable water treatment, cooling systems and sea water filtration.

Headquartered in Israel, Amiad provides these solutions through nine subsidiaries and a comprehensive network of over 170 distributors to customers in more than 80 countries.

For additional information or product details, please visit www.amiad.com.