

## **Update – JOSAB delivers purification technology to Indian infrastructure for water supply**

- **JOSAB supplies and finances 150-250 water kiosks including purification technology to Hyderabad in a BOO project.**
- **HMWS&SB (Hyderabad Metropolitan Water Supply and Sewerage Board) is responsible for water supply with access to the Municipal water supply and assign appropriate locations.**
- **Water kiosks are part of the state of Telangana's regular water supply.**
- **JOSAB estimates that the project generates a revenue over 7 years amounting to between MSEK 65 and 100. The project sum is an estimate based on local calculations and volumes.**
- **Hyderabad is located in India and has 7 million inhabitants. Access to clean water is scarce as the water distributed in the normal municipal network is often contaminated.**

**Since JOSAB has received many questions regarding the project, below is an in-depth information:**

As informed in a press release distributed November 30, 2016, JOSAB signed on November 29, 2016 a contract with a water treatment project in which JOSAB's products will purify water in 150-250 water kiosks in Hyderabad, India. The project is a collaboration between JOSAB, the local company Natures Spring Eco Tap Pvt Ltd and the city of Hyderabad in the state of Telangana.

Water kiosks will be placed at various locations in the city of Hyderabad. JOSAB is responsible for the purification technology and production of water kiosks, while Natures Spring Eco Tap Pvt Ltd handles the marketing and public authorities as well as the daily operation of the units. Hyderabad city is responsible for water supply and provides sites with appropriate demographic conditions selected based on the city's internal statistics of previous consumed volumes of water kiosks and water needs.

The project is based on a so-called BOO (Build Own Operate), where the payment is done via water tariffs, that is, JOSAB receives part of the revenues for a period of seven years. JOSAB gets paid based on purchased volume according to an integrated meter in each water kiosk. JOSAB owns the water kiosks throughout the project and beyond. The price is determined by the state to 1 rupee per liter of water and customers will fill the water in their own bottles. Bottled water costs 10-20 rupee per liter in stores. Payment is made with cash or a prepaid cards bought in kiosks.

As a base of the previously announced sales revenues is the signed agreement, together with a volume assessment by the project partner and the city of Hyderabad. The calculated volume is estimated to be 4 m<sup>3</sup> of water per day and machine, and hence no guarantee. The technology in water kiosk allows production of 24 m<sup>3</sup> of fresh water per day. The city proposes placement of water kiosks based on the assessed needs in areas where demand is high, such as, for example, train stations, schools and shopping malls. The cost of, and access to, raw water is carried by the city of Hyderabad. JOSAB's share of revenues under 7 years is estimated to be in the range of MSEK 65-100.

JOSAB have been ready to supply the machines starting from December 2016, but delivery of the first machines have been postponed due to delays by the authorities in Hyderabad. The previously announced schedule is estimated to be kept, and according to the agreement all equipment will be deployed before the end of June 2017. Delays due to authority administration are common in India. The inauguration of the first machines will be done in the presence of a minister and is expected to occur shortly.

JOSAB manufactures water kiosks using a subcontractor based on a long-term cooperation. Production of up to 250 water kiosks are procured and the units can be delivered within the agreed time schedule.

Several Indian newspapers have written about JOSAB and the project. Water kiosks are part of the regular water supply in India and is attracting a lot of interest from the public. The publicity strengthens JOSAB's brand. So far, two English-language newspapers reported about the project and also interviewed the Mayor who confirms that the project will be rolled out in the near future.<sup>1) 2)</sup>

- 1) <http://m.timesofindia.com/city/hyderabad/safe-drinking-water-at-drop-of-coin-250-dispensers-soon/articleshow/56675068.cms>
- 2) <https://www.google.se/amp/telanganatoday.news/eco-friendly-water-purification-tech-for-water-atms/amp>

## **JOSAB in India**

JOSAB is established with its own subsidiary in Pune, India since 2012. JOSAB India has the task of establishing JOSAB's technology in the Indian market for regular water supply. JOSAB has invested MSEK 5.8 in 2016 in India, of which MSEK 5.2 is financed through project financing from Prime World Ltd and Graceful Win Ltd.

The authorities in Telangana announced in 2016 a contract to deploy between 150 and 250 water kiosks in and around the city of Hyderabad and with the requirement that JOSAB's zeolite-based water treatment method should be used. JOSAB's ecological purification method has been decisive for the choice of technology.

JOSAB lacks tender license in Telangana and hence could not submit bids. In November JOSAB therefor signed a technical partnership with Natures Spring Eco Tap Pvt Ltd, a project company started for the purpose, and which has an agreement with the city of Hyderabad. The contract was signed on 29 November 2016. JOSAB supplies water kiosks containing JOSAB's patented and ecological water treatment process. Water kiosks are part of the regular water supply in India and the agreement has a strategic value for JOSAB.

After four years of testing of JOSAB's products the state of Kerala introduced JOSAB's technology as one of five approved water treatment technologies in public procurement in the state. JOSAB India received in March 2016 a tender licensed C that is valid in the state of Kerala and took its first order in the state in spring 2016. Tenders License C allows only participation in smaller projects, but with a number of additional orders in the state of Kerala qualify JOSAB India to apply for the higher bids license B. Offer B license will enable JOSAB to bid in India's states in their own name. Tender License B increases JOSAB's opportunities to grow in India. Tenders totals in contracts that are made available with tender license B is also significantly greater than those available for holders of tender license C.



In the state of Kerala, the World Bank in 2011 allocated MUS\$ 222 in a program for water and sanitation projects. The program is open to investment financing until 31 December 2018<sup>3)</sup>. With the State's approval of JOSAB's technology and private tenders license in Kerala JOSAB India Pvt Ltd. can participate in procurements during 2017 and 2018, that is ongoing regarding this major project.

3) <http://projects.worldbank.org/P121774/second-kerala-rural-water-supply-sanitation-project-jalanidhi-ii?lang=en>

The potential in India is very large for JOSAB. Large areas of land, which includes the state of Kerala, has polluted rivers, which are important for the water supply, which is suited to be cleaned with JOSAB's purification process. India seeks ecological solutions for water treatment and JOSAB's green profile with ecological water treatment technology is a good fit.

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**About JOSAB International AB**

JOSAB International AB manufactures and sells ecological water treatment solutions based on, by the company patented, unique filter material Aqualite™. JOSAB International AB has today four fully owned subsidiaries, JOSAB Hungary Kft, JOSAB India Pvt Ltd, JOSAB China Ecological Water Treatment Systems Co Ltd and JOSINT Financial Services AB.