H20 Innovation Leads in Smart MF-Membrane Replacement, Reducing Operating Costs and Increasing Efficiency

written by Raj Shah | November 29, 2021 November 29, 2021 ($\underline{\text{Source}}$) - ($\underline{\text{TSXV}}$: HEO) - $\underline{\text{H}_2}$ 0 Innovation Inc. (" $\underline{\text{H}_2}$ 0 Innovation" or the "Corporation") is pleased to announce that it has recently completed a plant retrofit for an ethanol client located in Iowa, United States. This project, one of the first of its kind in North America, demonstrates the Corporation's technical expertise and market access required to provide a direct replacement solution. Experience gained from this project should well-position $\underline{\text{H}_2}$ 0 Innovation to support future market demand.

 H_2O Innovation was awarded the contract for membrane replacement of the client's existing microfiltration ("MF") system, originally designed to treat 350 gpm (1,900 m³/day) of process water. The modules were approaching end of life based on reduced water flow and filtrate quality. The facility also needed to expand capacity without significant capital investment. The Corporation's solution, working closely with Toray Membrane USA, Inc. ("Toray" or the "Supplier"), was to design the replacement around a new module that offers more surface area in the same footprint. H_2O Innovation's engineering and field services capabilities and open-source strategy qualify the Corporation for this type of replacement. The Corporation estimates around 840 M gpm (3.8 M m³/day) installed capacity of this type in North America will likely require replacement and upgrade in the next

5 to 10 years.

" H_2O Innovation's Services team provided great support in one of the first retrofits with Toray's new pressurized hollow-fiber ultrafiltration modules. H_2O Innovation provided elegant engineering solutions to incorporating our higher area module as a direct replacement. By doing so, the customer gains a system with 20% more membrane area than before", **stated Sean Carter**, **Product Manager of Toray**.

As part of its 3-Year Strategic Plan, the Corporation's Water Technologies & Services ("WTS") business line grew its Services revenues by hiring additional Customer Care and Field Service staff. The Services team is focused on delivering products and services that help customers optimize the operation of their water, wastewater and water reuse systems.

"The flexibility of our engineered replacement approach provided a solution for a customer who was tied to proprietary MF modules. We were able to reduce the cost of the membrane change-out and increase capacity of the system, all while eliminating the need for capital expenditure. The long-term relationships we build with our customers by working to disrupt the status quo and drive value lead to loyalty that allows an increase of our recurring revenues", added Gregory Madden, Chief Strategy Officer of H_2O Innovation.

Prospective disclosures

Certain statements set forth in this press release regarding the operations and the activities of H_2O Innovation as well as other communications by the Corporation to the public that describe more generally management objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of securities legislation. Forward-looking statements concern analysis and other

information based on forecast future results, performance and achievements and the estimate of amounts that cannot yet be determined. Those forward-looking statements, based on the current expectations of management, involve a number of risks and uncertainties, known and unknown, which may result in actual and future results, performance, and achievements of the Corporation to be materially different than the said forward-looking statements, such as the Corporation's ability to grow the recurrent revenue of its WTS business line while developing and maintaining long-term relationship with its customers. Information about the risk factors to which the Corporation is exposed is provided in the Annual Information Form dated September 27, 2021 available on SEDAR (www.sedar.com).

About H₂O Innovation

Innovation is in our name, and it is what drives the organization. H_2O Innovation is a complete water solutions company focused on providing best-in-class technologies and services to its customers. The Corporation's activities rely on three pillars: i) Water Technologies & Services (WTS) applies membrane technologies and engineering expertise to deliver equipment and services to municipal and industrial water, wastewater, and water reuse customers, ii) Specialty Products (SP) is a set of businesses that manufacture and supply a complete line of specialty chemicals, consumables and engineered products for the global water treatment industry, and iii) Operation & Maintenance (O&M) provides contract operations and associated services for water and wastewater treatment systems. Through innovation, we strive to simplify water. For more information, visit www.h2oinnovation.com.

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Source:

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