

NEWS RELEASE

H2O Innovation Adds \$35.5 M of New O&M and WTS Projects, Showcasing Strong Client Retention and Growth Momentum

9/27/2023

All amounts are in Canadian dollars unless otherwise stated.

QUEBEC CITY--(BUSINESS WIRE)-- (TSX: HEO) – H2O Innovation Inc. (“H2O Innovation” or the “Corporation”) is pleased to announce that its Operation & Maintenance (O&M) business line obtained three new contracts and secured four renewals of existing contracts, while its Water Technologies & Services (WTS) business line was recently awarded five new contracts. The new and renewed business, with a total value of \$35.5 M, increases the O&M backlog to \$167.1 M and the WTS backlog to \$83.1 M, bringing the consolidated backlog to \$250.0 M.

The Corporation was awarded three new O&M contracts, highlighted by a five-year contract with the City of Gautier, MS. This marks the eighth contract of its kind in south Mississippi, and includes water treatment, utility distribution, collection and public works operations. “This is a strategic win for us in a region where we already have multiple O&M clients. It should also create synergies with the rest of the team in Mississippi, further strengthening our presence and fostering collaborative growth opportunities within the area,” **stated Gregory Madden, Chief Strategy Officer of H2O Innovation.** The other new contracts include the provision of O&M services to the Town of Courtlandt, NY, at its Dickerson Wastewater Recovery facility, and a food and beverage company located in New York. In addition to the new O&M contracts, H2O Innovation has also renewed four existing contracts across the US.

In its WTS business, the Corporation secured five new projects, four of which with existing customers returning to H2O Innovation for additional equipment. Two of these new projects, including the largest, are ultrafiltration (UF)

systems that use the FiberFlex™ open platform and that will be installed at two data centers. These systems are for a customer from whom the Corporation has now been awarded five different contracts.

Another WTS project is for a containerized membrane bioreactor (MBR) system that will be installed at a mine in Alaska, United States. This challenging application will employ MBR technology with biological nutrient removal (BNR) using a combination of shipping containers and cylindrical tanks and will be designed to withstand the cold temperatures of Alaska.

The remaining two WTS projects include expansions of existing facilities that were installed by H2O Innovation within the past few years. One is for the addition of a coagulation and flocculation system at a First Nations installation in Northern Alberta and the other is for an additional nanofiltration (NF) for the City of Delaware, Ohio. "This repeat customer activity speaks volumes about the trust and satisfaction our clients find in working with our team to design and execute capital equipment projects. With 80% of these new WTS projects coming from returning clients, we believe that we are creating lasting and symbiotic relationships," **added Frédéric Dugré, President, Chief Executive Officer and co-Founder of H2O Innovation.**

Prospective disclosures

Certain information and statements contained in this press release and in other Corporation's oral and written public communications regarding the Corporation's business and activities and/or describing management's objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of the applicable securities legislation. Forward-looking statements include the use of words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "if", "intend", "may", "plan", "potential", "predict", "project", "should" or "will", and other similar expressions, as well as those usually used in the future and the conditional, although not all forward-looking statements include such words. H2O Innovation would like to point out that forward-looking statements involve a number of uncertainties, known and unknown risks and other factors which may cause the actual results, performance or achievements of the Corporation, or of its industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Major factors that may lead to a material difference between the Corporation's actual results and the projections or expectations set forth in the forward-looking statements include, without limitation, the execution and delivery of its projects in a timely manner and without additional costs, considering the challenges resulting from the labor shortage, the inflation rate on goods and services, the execution and performance of the services described in the O&M contracts, in a timely manner and without additional costs, the creation of synergies between the Corporation's business pillars despite the competitive environment in which it operates, and such other risks as described in the Corporation's Annual Information Form dated September 27, 2023, which is available on SEDAR+ (www.sedarplus.ca). The forward-looking information contained in this press release is based on

information available as of the date of the release and is subject to change after this date. Unless otherwise required by the applicable securities laws, H2O Innovation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About H2O Innovation

Innovation is in our name, and it is what drives the organization. H2O 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.

Source:

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