

Strategic relationship with Chinese PPP leader opens PRC market to Drylet



The partnership between Drylet and Nanjing Hoyo Municipal Utilities Investment Administration Group was finalized at the 2017 CEO Delegation to China led by Commerce Secretary Ross during President Trump's visit to Beijing.

(Left: Victor Lv, Hoyo Group Chairman. Right: Luka Erceg, Drylet President and CEO)

Houston, Texas (November 9, 2017) – In a letter of intent signed Thursday, Drylet and the private group that operates municipal utilities throughout China commit to forming a joint-venture to sell biocatalysts for wastewater remediation produced by Drylet in the United States. Based in the second largest city in the east region of China, Nanjing Hoyo Municipal Utilities Investment Administration Group has also committed to joining Drylet as an equity investor.

“Such an endorsement of our wastewater remediation technology by the Hoyo Group speaks volumes about our Chinese partner’s readiness to embrace innovation, as China embarks on tackling the pollution crisis from wastewater sludge and remediation challenges in both water and wastewater,” said Drylet President and CEO Luka Erceg.

The letter of intent was signed during the [deal-signing ceremony organized in Beijing by the U.S. Department of Commerce and the PRC Ministry of Commerce to coincide with President Trump’s visit to Beijing](#). Twenty-nine U.S. companies, including Drylet, were selected among the 100 that applied to accompany Commerce Secretary Ross on the much-awaited trade mission to China.

One of the leading public-private-partnership (PPP) players in municipal utilities markets in China, the Hoyo Group is actively expanding its PPP platform to include innovative technologies as water and wastewater treatment demand in Nanjing and throughout the country is becoming more acute.

“Drylet’s biocatalyst provides an opportunity to enhance treatment at sewage plants without increasing the footprint through further capital expenditures – the increased capacity and output quality afforded by Drylet’s microbial delivery platform is tremendous,” said Hoyo Chairman Victor Lv.

The transaction is expected to generate tens of millions of dollars in annual revenues in the PRC, addressing the remediation of sewage treatment plants, lakes, rivers and other public water projects. The venture is also expected to lead to the Hoyo Group deploying its PPP models in the United States, including an initial \$100-million investment for water and wastewater treatment.

Drylet’s introduction to the Chinese market was facilitated last June by the U.S. Trade Department, when the small, fast-growing Texas company was invited to join its water mission in China. Its executive team has applauded the work of the Department of Commerce’s U.S. Commercial Service team in Beijing and in Houston, who coordinated meetings and events that gave Drylet the chance to meet with its new partner.

“The June mission was a fantastic opportunity for a company of our size to be introduced to larger players than we would have been able to reach otherwise,” Erceg said. “Getting where we are today has been a lot of work, and I am grateful to the individuals at the U.S. Commercial Service for trusting our technology and our team from the beginning.”

Drylet’s proprietary biocatalysts — engineered porous particles loaded with beneficial bacteria — provide 12 football fields of solid area covered with microbes per pound of product. Protected by the



Drylet CEO Luka Erceg and Hoyo Chairman Victor Lv (Great Hall of the People, Beijing, China, on November 9, 2017)

particles, the microbes reproduce at an accelerated rate, feeding off the organic waste in a frenzy, and converting solids into water and gas. The biocatalysts can help reduce biosolids by up to 50 percent.

About Drylet, LLC

Drylet is a Houston- and San Francisco-based wastewater remediation technology company whose proprietary biocatalysts optimize biosolids reduction in wastewater treatment plants and in animal production facilities. Drylet offers a cost-effective and zero-footprint solution to biosolids accumulation, improving operations, reducing environmental impacts and streamlining regulatory compliance. For more information, visit www.drylet.com.

About Nanjing Hoyo Municipal Utilities Investment Administration Group

The fundamental concept of the Hoyo Group was to take a holistic approach to urban planning. Hoyo specializes in low carbon, sustainable, intelligent construction and operation of municipal infrastructure. This includes planning, design, financing, construction, operation, management, consulting and other integrated and systematic embodiments for city management.

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