



**PRESS RELEASE**  
**For immediate release**

**TSXV: HEO**  
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**OTCQX: HEOFF**

## **H<sub>2</sub>O Innovation announces the completion of the acquisition of Clearlogx®**

*All amounts in Canadian dollars unless otherwise stated.*

**Quebec City, October 28, 2015** – (TSXV: HEO) – H<sub>2</sub>O Innovation Inc. (“H<sub>2</sub>O Innovation” or the “Corporation”), a leader in membrane filtration, is proud to announce the execution of a definitive asset purchase agreement completing the acquisition of Clearlogx®, a patented technology, developed by Gregg McLeod, that helps maintain and optimize chemical performance, while improving the overall efficiency, of water treatment processes. This technology is especially critical for ultrafiltration (UF) water treatment plants to minimize membrane fouling’s, extend membranes’ lifecycle, and thus, reduce overall plant operating expenses.

This proprietary technology with sustained recurring revenues is a low risk tuck-in acquisition which provides immediate accretion to EBITDA performance. Moreover, the addition of Clearlogx® to H<sub>2</sub>O Innovation is expected to improve consolidated gross profit margin.

In addition to Clearlogx® technology, H<sub>2</sub>O Innovation has acquired the Clearlogx Inc.’s business related to the sale of coagulants, which further complement the Corporation’s specialty chemicals marketed under the name PWT™.

This acquisition was made for a total of \$ 1.97 million (US\$1.5 million), with potential earn-out payments over a period of three (3) years following the effective date of the transaction. To avoid dilution of H<sub>2</sub>O Innovation shareholder ownership, H<sub>2</sub>O Innovation has entirely financed this acquisition with a long-term loan of \$ 2.63 million (US\$2 million) borrowed from BMO Bank and secured at 75% by EDC, allowing the Company to reduce its interest rate.

The acquisition of Clearlogx® continue to increase the level of H<sub>2</sub>O Innovation recurring sales, while further strengthening the business sector dedicated to water treatment systems.

“I am excited to be joining H<sub>2</sub>O Innovation who, with their experience and presence in the water sector, will expand on the early successes of Clearlogx®. Our patented technology has already improved UF membrane filters performance on numerous installations in North America such as the Carter Lake Potable Water Plant, a 30 MGD UF system which was facing de-rated production capacity, inefficient chemical cleanings, shortened membrane life and regulatory compliance issues. After the integration of Clearlogx® controls into the process, the customer saw a dramatic reduction in membrane fouling enabling to increase production up to design capacity while reducing chemical & power consumption. H<sub>2</sub>O Innovation is the perfect partner to expand Clearlogx® controls technology and the associated specialty coagulants into additional market segments such as industrial and municipal wastewater reuse”, **explained Gregg McLeod, Vice President, Clearlogx® Technology.**



### **Prospective disclosures**

Certain statements set forth in this press release regarding the operations and the activities of H<sub>2</sub>O Innovation 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. Information about the risk factors to which the Corporation is exposed is provided in the Annual Information Form dated September 22, 2015 available on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **About Clearlogx®**

The Clearlogx® technology is a proprietary technology which precisely and continuously controls the feed of specialty coagulants used in water treatment to maintain a proper pH level and an optimum particle charge, while simultaneously improving overall treatment process efficiency. For more information, visit [www.clearlogx.com](http://www.clearlogx.com).

### **About H<sub>2</sub>O Innovation**

H<sub>2</sub>O Innovation designs and provides state-of-the-art, custom-built, and integrated water treatment solutions based on membrane filtration technology for municipal, energy and natural resources end-users. Also, directly and through its affiliates, H<sub>2</sub>O Innovation provides services and products complementary to its membrane filtration and reverse osmosis systems. These products consist of a complete line of specialty chemicals, consumables and couplings. For more information, visit [www.h2oinnovation.com](http://www.h2oinnovation.com).

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### **Source :**

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