



**PRESS RELEASE**  
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## **H<sub>2</sub>O Innovation Presents Update on COVID-19 and Ensures Continuity of its Operations for its Customers**

**Quebec City, March 17, 2020** – (TSXV: HEO) – H<sub>2</sub>O Innovation Inc. (“H<sub>2</sub>O Innovation” or the “Corporation”) is pleased to present an update on the current status of the Corporation’s activities surrounding COVID-19.

First, a supply chain risk assessment was carried out for the various business lines of the Corporation, but more particularly for Piedmont because of the international nature of its business. As a first step, let’s recall that Piedmont designs, manufactures and distributes flexible couplings and filter housings made of fiberglass, each representing 50% of its revenues. These filter housings are manufactured by a partner in Tunisia, and no significant delays have been recorded in connection with the current pandemic. Piedmont experienced minor delays in the manufacturing of flexible couplings made in China due to temporary closure of the foundry from January 23 to March 2. Operations have since resumed at 100% capacity. Piedmont maintains its delivery targets for June 30, 2020.

On the PWT side, the specialty chemicals distributor in China continues its operations. Annual sales should not be significantly impacted because of the nature of its customers, mostly food & beverage plants, as well as municipal drinking water plants in China. In order to offset a higher demand for specialty chemicals and possible delays in the supply of raw materials, PWT and Genesys teams have voluntarily increased the levels of inventories, enabling them to ensure the supply of their products until the end of June 2020.

H<sub>2</sub>O Innovation’s 675 employees are located in Canada, the United States, Spain and United Kingdom. The majority of these employees are working in offices or plants with minimal staffing levels, which minimize exposure and transmission of the virus. Also, more than 50% of all other employees are widely dispersed in the field for the operation and maintenance (“O&M”) of water and wastewater treatment systems, essential community services. In order to ensure the services offered to O&M customers, we have implemented preventive and contingency plans specific to the nature of O&M activities.

“Employees are the most important resources that we have. Without them, it wouldn’t be possible to achieve our goals, support hundreds of distributors around the world, manufacture products and provide best-in-class services to our customers. Together, we must ensure the continuity of our operations, particularly those related to O&M of more than 200 water and wastewater plants. Also, the manufacturing of specialty chemicals in Vista (California) and Cheshire (UK) must continue, in order to provide our products to thousands of water treatment plants around the world. I can insure you that our IT infrastructure is robust in Europe and America, and ready to support all users in USA, UK, Spain and Canada. H<sub>2</sub>O Innovation is solid and we do everything in our power to act safely in order to ensure the sustainability of our operations. We have built together a strong, reliable and resilient business based on high recurrent sales and diversified revenues”, **stated Frédéric Dugré, President and Chief Executive Officer of H<sub>2</sub>O Innovation.**



The maple business line, specializing in the manufacturing of equipment and products for maple syrup production, is aimed at producers and not restaurateurs of sugar shacks. The measures taken by the Quebec government to close establishments offering catering services should not affect the equipment sales, since it is not the Corporation's target clientele.

Finally, we have created an internal COVID-19 intervention team (gathering human resources, legal, operations and communications) which is meeting daily to ensure continuous communication to all stakeholders.

### **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, industrial, energy and natural resources end-users. The Corporation's activities rely on three pillars which are i) water & wastewater projects, and aftermarket services; ii) specialty products, including a complete line of specialty chemicals, consumables and specialized products for the water treatment industry; and iii) operation and maintenance services for water and wastewater treatment systems. For more information, visit [www.h2oinnovation.com](http://www.h2oinnovation.com).

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