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H₂O Innovation Provides an Update on the COVID-19 Situation and Eases its Salary Reductions

Quebec City, May 7, 2020 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) is pleased to provide a new update following its March 31 press release in response to the current situation surrounding COVID-19. Given the Corporation’s good financial health, the management has decided to ease its extraordinary salary reduction measures. In addition, the Corporation is preparing to resume its manufacturing activities for its Maple and Projects business lines, due to upcoming deliveries and the reopening of various construction sites.

Considering H₂O Innovation’s financial situation over the last few weeks, the Corporation has decided to review certain extraordinary measures implemented since March 30. On May 4, the 10% reduction in the wages of some of its employees went to a 5% reduction. “Since we did not observe any significant deterioration in the Corporation’s financial situation, management decided to ease the wage reduction measures, that had been implemented as a preventive measure at the beginning of the pandemic”, **stated Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation**. However, the 15% reduction for its officers and its Board of Directors remains until further notice.

The internal COVID-19 intervention team (gathering top-management together with human resources, the legal department, operations and communications) continues to meet three times a week. The team is currently working, in collaboration with the managers of the different business lines, on a gradual return-to-work protocol for telework employees, while respecting the prevention and safety measures put in place by the various governments. A specific protocol for each office, each manufacturing plant and each site will be developed and shared with employees next week. “Being considered as an essential service provider, H₂O Innovation has been able to maintain its operations and maintenance activities, after-sales services, manufacturing and distribution of specialty chemicals, and design and manufacturing of components for desalination and maple farming equipment. Only the Projects business line was slowed down due to limited access to various construction sites. Since we have the indication that several regions are gradually reopening, now is the time to prepare for the gradual return-to-work of our telework employees. While ensuring the continuity of our operations, safety remains our priority, and that is why we will continue to adapt our work environments, encourage physical distancing and promote best hygiene practices”, **added Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation**.

About H₂O Innovation

H₂O 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.



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– 30 –

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