



PRESS RELEASE
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H₂O Innovation Signs Strategic Agreement with Nanostone and Confirms Leading Position as Ceramic Membrane System Integrator

Quebec City, June 17, 2020 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) is proud to announce it signed a strategic agreement with ceramic membrane manufacturer, Nanostone Water, Inc. (“Nanostone”), and confirms its leading position as a ceramic membrane system integrator in the water industry.

“We are very excited to partner up with the Nanostone team. As an engineered product supplier primarily focused on membrane technology, it is important to constantly renew ourselves and use the best membrane for each application. While we will continue to commercialize polymeric ultrafiltration (“UF”), reverse osmosis and membrane bioreactor, ceramic UF will allow us to address different market needs: it is basically another string to our bow. For instance, ceramic membranes offer great benefits regarding flux and durability which can make a big difference when we compete over considering overall life cycle cost. They also sustain higher suspending solids loading and can resist cleaning regimes at a much wider range of pH. This can be very strategic to differentiate our solutions on industrial treatment flow charts”, **added Frédéric Dugré, President and CEO of H₂O Innovation.**

The relationship between H₂O Innovation and Nanostone began back in 2016, when Nanostone contracted the Corporation to design and fabricate two pilot units. The quality and success of these pilots influenced Nanostone to contract H₂O Innovation to upgrade their existing fleet of pilot units, especially the controls elements. The Corporation utilized the Nanostone pilots in several project studies and was impressed with the performance of their technology. One study resulted in the purchase of a full-scale system for a Midwest industry where H₂O Innovation had previously installed polymeric UF membranes. This system is treating 0.2 MGD (757.1 m³/day) surface water and secondary effluent for cooling tower. The operational performance improved considerably, and they are planning to convert the polymeric membranes to Nanostone ceramic ones.

H₂O Innovation sold an additional system employing Nanostone membranes for a resort in New York, treating a year around cold temperature surface water. They have been independently engaged in a program to retrofit existing polymeric microfiltration/UF membrane systems, for the last two years, and it has resulted in several successful contracts in Texas and the Dakotas.

With a collective and supportive reference list, and a growing interest in ceramic membrane technology, the two companies decided it was the right time to engage in a strategic agreement. In this preferential business collaboration, the parties have agreed to jointly lead a larger commercialization of the technology. The market for ceramic membranes systems is growing and Nanostone is a leader in membranes while H₂O Innovation is a leader in designing and efficiently assembling skids; the strength of both will lead to the capture of significant market shares in the industrial and municipal sectors.



For more information about these Nanostone ceramic membranes, you can visit the new section of H₂O Innovation's website, under the Technologies' tab.

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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