



PRESS RELEASE
For immediate release

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H₂O Innovation: Capturing Synergies and Strengthening Strategic Geographies

Quebec City, January 12, 2021 – (TSXV: HEO) – With renewed focus on cross-business collaboration, H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) is pleased to share two recent successes highlighting the synergies between its subsidiary, Genesys, and other business lines.

“Managing Directors of our business lines are collaborating in many ways to develop comprehensive solutions for our customers around the world. We have recently seen two significant examples of real synergies and integration opportunities – between Genesys and Piedmont, and between Genesys, PWT, and our WTS business line – that created added value for our customers. These types of synergies are a clear focus of the 3-Year Strategic Plan we presented in November”, **stated Gregory Madden, Chief Strategic Officer of H₂O Innovation.**

Strengthening customer relationships by focusing on these types of synergies should lead to increased recurring sales for the Corporation, which typically results in improving overall gross margins. These activities can often present opportunities for the Specialty Products businesses to develop new products to support their customers.

Genesys’ Algerian distributor recently signed an agreement to represent Piedmont’s business line as well. Algeria is one of the world’s major players in mega seawater membrane desalination plants, defined as plants operating at capacities greater than 100,000 m³/day, with 10 mega plants and nearly 2,000,000 m³/day total capacity. An agreement with Medchem, a long standing Genesys distributor who have direct access to the aftermarket, represents significant strategic growth potential for Piedmont. Under this new agreement Piedmont should be able to address many retrofit and recurrent business opportunities coming from end-users.

In North America, Genesys and PWT, with the support of H₂O Innovation’s WTS Services team, combined forces to solve a difficult membrane fouling issue for a gold mine in Nevada. Genesys’ Genmine® range of products, specifically targeted to difficult mining waters, provided a unique solution that was proven in the laboratory and verified in the field. Prior to the acquisition of Genesys by H₂O Innovation, the team had little geographic coverage in North America, one of the biggest mining markets in the world with over 130 plants using membrane technology treating over 800,000 m³/day of mine water. The cross-business team worked together with the client to understand and solve the problem, showing great customer care.

Prospective disclosures

This press release contains forward-looking information under applicable securities law. All information that addresses operations and activities that H₂O Innovation expects to occur in the future is forward-looking information. Forward-looking statements use such words as “believe”, “continue”, “estimate”, “expect”, “intend”, “should” or “will” and other similar terms as well as those usually used in the future and the conditional. Forward-looking statements concern analysis and other information based on forecast future results and the estimate of amounts that cannot yet be determined and are based on the estimates and opinions of management on the date the statements are made. In this press release, such forward-looking statements include, but are not limited to, statements regarding the Corporation’s ability to create



synergies and cross-selling opportunities to grow its business. Those forward-looking statements involve several risks and uncertainties. Those risks and uncertainties include, but are not limited to, the Corporation's ability to maintain this cross-business collaboration, increase recurring sales following new business wins and improve gross profit margin. Other risk factors are discussed in the Corporation's Annual Information Form dated September 23, 2020 available on SEDAR (www.sedar.com).

Should one or more of these risks or uncertainties materialize, or should the assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. Unless required to do so pursuant to applicable securities legislation, H2O Innovation assumes no obligation to update or revise forward-looking statements contained in this press release or in other communications as a result of new information, future events, and other changes.

About Genesys

Genesys is a UK privately-owned group of companies specializing in the development and manufacturing of specialty chemicals dedicated to water treatment. Genesys develops, manufactures and distributes specialty reverse osmosis (RO) membrane chemicals, antiscalants, cleaners, flocculants and biocides, and offers, through a large distribution network, a portfolio of over 35 diversified products with unique formulation that are manufactured in its facility located in Cheshire, UK. In addition, Genesys also offers complete laboratory services such as feed water and pre-treatment tests, membrane autopsies and cleaning program design. For more information, visit www.genesysro.com.

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 technologies and 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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