



PRESS RELEASE
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H₂O Innovation Enters into an Agreement to Acquire the business of Leader Evaporator Co., Inc. Strengthening its Position in the Maple Industry

Quebec City, April 12, 2022 – (TSX: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) is proud to announce that a binding letter of intent has been entered into with respect to the acquisition of the business carried on by Leader Evaporator Co., Inc. (“Leader”). Leader has been selling maple farming equipment and products for more than 130 years to maple syrup producers located mainly in the United States. The brand is positioned as the perfect combination between tradition and quality.

H₂O Innovation, through its maple business line, is already an important player in the maple industry for the last 30 years, by manufacturing and selling equipment for the manufacture of maple syrup to producers located in both Canada and the USA. The Corporation distinguishes itself by its capacity to develop and manufacture innovative solutions and products built around its membrane filtration expertise, in its facility of 81,390 sq. ft. located in Ham-Nord, Quebec. The maple business line of H₂O Innovation was also among the first in the industry to introduce the H₂O-Smartrek technology, providing accurate intelligence to optimize the collection of maple sap, the remote monitoring and the control of a complete maple production.

This transaction should allow H₂O Innovation to increase its market share in the maple industry, primarily in the United States of America, to solidify its position as manufacturer of maple equipment and products and to expand its manufacturing capabilities with an additional facility of 103,780 sq. ft. located in the Town of Swanton, VT. In addition, H₂O Innovation will add 53 distributors and dealers to its current distribution network of nearly 50 distributors. Through this transaction, H₂O Innovation will inherit the expertise, talent and manufacturing know-how of more than 50 employees working at the Swanton facility.

The transaction is expected to close before July 1, 2022 and is subject to customary closing conditions for this kind of transaction. The transaction will be financed using the Corporation’s available cash and/or existing credit facilities.

“This transaction is a perfect fit for H₂O Innovation’s maple business line as we already foresee multiple synergies. We envision partnering with Leader’s customers to continue building a business of significant value, one that honors the legacy of Leader, and thus, becoming one of the most important players in the maple industry. The transaction will also contribute to solidifying customer retention and to creating additional recurring revenues. The acquisition is expected to increase revenues coming from maple equipment and products by 60% to 70% and to expand our manufacturing capabilities to answer the growing demand of the maple industry”, **said Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation.**

“We are very excited about this transaction because it capitalizes on Leader’s historical legacy for quality and innovation, while positioning it to be a truly international brand, giving the resources and capabilities to, within a few years, become the maple industry’s market leader. The synergies between the Leader and H₂O Innovation product lines and the harmony of our company cultures makes this a perfect fit. And with



the maple farming sector poised for a major growth cycle, this transaction sets Leader and H₂O Innovation up for a very strong decade of growth”, **stated Jeff Smith, President of Leader.**

Prospective Disclosures

Certain statements set forth in this press release regarding the operations and the activities of H₂O Innovation as well as other communications by the Corporation to the public that describe more generally management objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of securities legislation. Such forward-looking statements include, but are not limited to, the completion of the transaction described herein, the effects of the integration of acquired business and the ability to achieve projected synergies. 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 27, 2021 available on SEDAR (www.sedar.com).

About H₂O Innovation

Innovation is in our name, and it is what drives the organization. H₂O Innovation is a complete water solutions company focused on providing best-in-class technologies and services to its customers. The Corporation’s activities rely on three pillars: (i) Water Technologies & Services (WTS) applies membrane technologies and engineering expertise to deliver equipment and services to municipal and industrial water, wastewater, and water reuse customers, (ii) Specialty Products (SP) is a set of businesses that manufacture and supply a complete line of specialty chemicals, consumables and engineered products for the global water treatment industry, and (iii) Operation & Maintenance (O&M) provides contract operations and associated services for water and wastewater treatment systems. Through innovation, we strive to simplify water. For more information, visit www.h2oinnovation.com.

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Source:

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