



PRESS RELEASE
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H₂O Innovation Is Granted its First Blue Loan of \$65 M to Fund its Continued Growth in Water Technology and Solutions

All amounts are in Canadian dollars unless otherwise stated.

Quebec City, December 6, 2022 - (TSX: HEO) - H₂O Innovation (“H₂O Innovation” or the “Corporation”) has collaborated with National Bank of Canada to develop a sustainable financing solution to fund the Corporation’s continued growth in water technology manufacturing and services by structuring its first Blue Loan. In addition, the Corporation increased its revolving credit facility by \$10 M. The credit facility now stands at \$65 M.

H₂O Innovation’s inaugural Blue Loan has been inspired by the Guidelines for Blue Finance developed by the International Finance Corporation in January 2022. The guidelines were developed to address blue finance as an emerging area in climate finance where funds are earmarked for investment in ocean-friendly projects and critical clean water resource protection.

H₂O Innovation is on the leading edge of the shift towards more water reuse, using best-in-class technologies to transform wastewater into high-quality water that can be reused for agriculture, landscape irrigation, industrial and potable water applications. Being better stewards of global water resources is central to H₂O Innovation’s mission.

“Everything we do on a daily basis, from the engineering and manufacturing of water reuse plants to the operation of water assets and the supply of green chemicals and components to the desalination industry, is done to help solve water issues for good. We are very proud that H₂O Innovation has obtained its inaugural Blue Loan from National Bank of Canada. Part of our mission is to drive intelligent solutions to help solve the growing challenges related to water use. The combination of population growth, aging infrastructure, regulatory frameworks driven by higher environmental standards, water scarcity, and an aging workforce drives growth for us and our industry. The support of National Bank of Canada serves as a reminder of the importance of investing in the water sector to ensure the sustainability of this vital resource,” **said Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation.**

The Blue Loan will allow H₂O Innovation to continue to evolve as a leader in water and wastewater technologies and services and to achieve its sustainability objectives, including reducing global water stresses and carbon emissions throughout their value chain.

- **Water Stress** - Only 2% of the water on our planet is drinkable. As an organization, H₂O Innovation designs water treatment systems and products, and provides related services that simply improve water quality. In recent years, the Corporation has seen the industry shift focus from treating fresh water for municipal or industrial use to treating wastewater for direct or indirect reuse. This type of treatment is a key driver in the development of a robust and sustainable global water supply.
- **Carbon Emissions** - From the efficient design of water treatment systems with energy optimization in mind to the manufacture and delivery of concentrated treatment chemicals reducing the environmental impacts of transportation, H₂O Innovation is committed to reducing its overall carbon footprint.



Prolonged water stress can have long-lasting implications on public health, economic development, and access to food. Global water stress is also exacerbated by a warming climate - the United Nations estimates that for every 1°C increase in the global average temperature, a 20% drop in renewable water resources can be expected. Facing the dual crisis of climate change and global water stress, H₂O Innovation is committed to reducing water demand by offering efficient and cost-effective water sanitation, recycling, and reuse technologies and services and to reducing the energy required for industrial water use through innovative efficiency gains.

“As part of National Bank of Canada’s commitment to support its clients in their sustainability journeys, the Sustainability Advisory and Finance team is privileged to have worked with the H₂O Innovation team to develop its inaugural Blue Loan to fund water treatment and purification projects. With the growing effects of water scarcity on households and agriculture, the company is well positioned to make a meaningful impact on communities and the economy, and we are proud to support them,” **added Jason Taylor, Managing Director of the Sustainability Advisory and Finance team at National Bank of Canada.**

Prospective Disclosure

Certain statements set forth in this press release regarding the operations and activities of H₂O Innovation may constitute forward-looking statements within the meaning of securities legislation. 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, 2022 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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