



**PRESS RELEASE**  
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## **Agri-Food Industry: Update on H<sub>2</sub>O Innovation's Maple Business Line**

**Quebec City, September 19, 2023** – (TSX: HEO) – H<sub>2</sub>O Innovation Inc. (“H<sub>2</sub>O Innovation” or the “Corporation”) is providing an update on its Maple business line given challenging market conditions during the fiscal fourth quarter 2023. The Corporation is pursuing its strategy to diversify and expand its Maple business line within the agri-food market.

Three years ago, the Corporation released its three-year strategic plan, which outlined 10 distinct strategic objectives. At that time, the prospect of exploring new markets for the Maple business line had been identified as a means of diversifying the product offering and offsetting the impact of the seasonality inherent to this business sector. The basis of this strategy was premised on weather volatility and its potential impact on maple syrup production. This was clearly illustrated during the 2023 maple syrup season in the Province of Quebec, which got off to a late start and was soon exposed to above-average temperatures, resulting in a 60% decrease in production compared to last year. Therefore, as the Corporation experienced poor maple seasons in the past, they believe that the latest maple season may impact its business for a short and specific period of time, without affecting its objectives as set forth in its Three-year Strategic Plan. With that in mind, H<sub>2</sub>O Innovation has in recent years been developing a range of products and equipment dedicated to other segments within the agri-food market.

The current North American distribution network of the Corporation's Maple business line has over 100 points of sale, which allows H<sub>2</sub>O Innovation to offer this new range of products while maintaining its cost structure. “With our manufacturing expertise in agri-food systems, long-distance wireless communication technologies, and our knowledge using membrane filtration for sugar and mineral concentration, we are well poised to expand our product offering to companies in the agri-food sector,” **stated Frédéric Dugré, President, Chief Executive Officer and co-Founder of H<sub>2</sub>O Innovation.**

Since the release of our three-year strategic plan in fiscal year 2021, the Corporation has been awarded several contracts involving whey concentration, cranberry juice concentration, beer wort concentration and apple cider clarification. H<sub>2</sub>O Innovation has developed new patent-pending technologies that can be adapted to various applications within the agri-food sector. These include the Smart Sprinkler, an automatic irrigation system designed to prevent frost in vast fields, and the Hypermash, a system used to concentrate beer wort. With the Hypermash technology, brewers can improve their cost structure and produce a final volume up to 25% higher than the traditional method. “This technology has already been in use for a few months at the California-based Bottle Logic Brewing microbrewery and has allowed their team to optimize production while achieving savings in terms of energy, time, water, and even raw materials — grain,” **added Frédéric Dugré.** In the United States alone, there are more than 9,000 craft breweries with an overall value estimated at \$27 B (source: Brewers Association, 2022). The Corporation has also been exploring other potential agri-food markets, such as apple cider, which is a \$500 M market annually in the United States (source: IBISWorld, 2023).

“In light of these success stories in diversifying our offering and the magnitude of the potential market, we remain fully committed to the task of building our Maple business line towards a vision focused on the agri-



food market, which will also limit the impact of the inherent instability associated with maple syrup production and improve our long-term profit margins. As such, should our efforts to integrate the agri-food market continue to prove successful, our Maple business line could, in due course, become a new business pillar within the Corporation," **said Frédéric Dugré.**

### **Prospective disclosures**

Certain information and statements contained in this press release and in other Corporation's oral and written public communications regarding the Corporation's business and activities and/or describing management's objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of the applicable securities legislation. Forward-looking statements include the use of words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "if", "intend", "may", "plan", "potential", "predict", "project", "should" or "will", and other similar expressions, as well as those usually used in the future and the conditional, although not all forward-looking statements include such words. H<sub>2</sub>O Innovation would like to point out that forward-looking statements involve a number of uncertainties, known and unknown risks and other factors which may cause the actual results, performance or achievements of the Corporation, or of its industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Major factors that may lead to a material difference between the Corporation's actual results and the projections or expectations set forth in the forward-looking statements include, without limitation, poor performance or reliability issues of such new technologies, the disruption of the Corporation's activities due to climate change and unpredictable weather conditions, the Corporation's ability to expand its activities in the agri-food market, the Corporation's ability to reach its objectives and goals as per its Three-Year Strategic Plan and to improve its long-term profit margin and such other risks as described in the Corporation's Annual Information Form dated September 27, 2022, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)). The forward-looking information contained in this press release is based on information available as of the date of the release and is subject to change after this date. Unless otherwise required by the applicable securities laws, H<sub>2</sub>O Innovation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **About H<sub>2</sub>O Innovation**

Innovation is in our name, and it is what drives the organization. H<sub>2</sub>O 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](http://www.h2oinnovation.com).



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