



PRESS RELEASE
For immediate release

TSX: HEO
Euronext Growth Paris: MNEMO: ALHEO
OTCQX: HEOFF

Ember Completes Acquisition of H₂O Innovation

Québec City, December 8, 2023 (TSX: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) announces the completion of the previously announced acquisition by Ember SPV I Purchaser Inc. (the “Purchaser”), an entity controlled by funds managed by Ember Infrastructure Management, LP (“Ember”), a New York-based private equity firm, of all of the issued and outstanding common shares in the capital of H₂O Innovation (the “Shares”), other than the Shares rolled over by Investissement Québec (“IQ”), Caisse de dépôt et placement du Québec and certain key executives of the Corporation, for C\$4.25 in cash per Share (the “Consideration”), pursuant to a statutory plan of arrangement (the “Arrangement”) under the *Canada Business Corporations Act*.

“Closing this transaction marks the start of an exciting chapter for H₂O Innovation, as we continue our expansion with the resources and expertise that our new partners at Ember can bring to the Corporation and our customers,” said Frédéric Dugré, President, Chief Executive Officer and co-Founder of H₂O Innovation. “Together, we are well positioned to accelerate our organic growth and make strategic acquisitions that will further enhance our customer offering, enabling them to more efficiently use and protect our shared water resources. Today, our nearly 1,100 employees, united by our strong corporate culture, join me in the pursuit of continued growth and the enthusiastic undertaking of the opportunities ahead.”

“We at Ember see an important and attractive opportunity to support H₂O Innovation’s management in continuing to build a leading integrated water solutions company, focused on providing best-in-class technologies and services to its customers,” said Elena Savostianova, Founder and Managing Partner of Ember. “Communities and businesses alike are faced with strained water resources as a result of climate change, new requirements associated with increased regulation, and stakeholder demand for improved resource stewardship. We believe H₂O Innovation is very well positioned to meet these needs for its customers as it continues to grow its footprint and the scope of its solutions.”

Consideration for the purchased Shares has been remitted to TSX Trust Company, as depositary under the Arrangement, and will be paid to former shareholders of H₂O Innovation as soon as reasonably practicable after the date hereof (or, in the case of registered shareholders, as soon as reasonably practicable after a properly completed and signed letter of transmittal is received by the depositary together with the Share certificate(s) representing Shares formerly held by them, if applicable). Currency conversion charges may apply for converting the Consideration payable to shareholders whose Shares are admitted for trading on the multilateral trading facility of Euronext Growth in Paris (“Euronext Growth”) or on OTCQX into euros or US dollars, as applicable.

As a result of the completion of the Arrangement, the Shares will be delisted from the Toronto Stock Exchange and Euronext Growth and withdrawn from OTCQX shortly after the date hereof. The trading of the Shares (ISIN code CA4433003064) on Euronext Growth has been suspended effective at 8:00 a.m. (Paris time) today. The suspension will remain in effect until the delisting of the Corporation’s Shares from Euronext Growth, which is expected to be completed on December 13, 2023. The Corporation will also apply to cease to be a reporting issuer in all the provinces of Canada. H₂O Innovation’s annual meeting of



shareholders, previously scheduled to be held on December 22, 2023, has been cancelled in light of the completion of the Arrangement.

Early Warning Disclosure by IQ

Immediately prior to giving effect to the Arrangement, IQ owned 9,003,544 Shares, representing approximately 10% of the issued and outstanding Shares, the entirety of which were transferred to the Purchaser pursuant to the Arrangement in exchange for shares of the Purchaser. As required by *National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, IQ will file a report under H₂O Innovation's profile on SEDAR+ (www.sedarplus.ca) containing additional information with respect to the foregoing. A copy of such report may be obtained by contacting Isabelle Fontaine, Senior Director, Media and Government Affairs of IQ at 438-622-4087.

Cautionary Note and Forward-Looking Statements

The Corporation's oral and written public communications may include forward-looking statements. These statements are included in this press release, the Management Information Circular of the Corporation dated October 27, 2023, and may be included in other filings or communications from the Corporation. The forward-looking statements are made pursuant to the applicable securities legislation. Forward-looking statements may include, but are not limited to, the anticipated timing of: (a) the payment of the Consideration to shareholders of the Corporation, (b) the delisting of the Shares from the Toronto Stock Exchange and Euronext Growth Paris and withdrawal of the Shares from OTCQX; and (c) the Corporation ceasing to be a reporting issuer. The management of H₂O 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 to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. In preparing its outlook, the Corporation made assumptions that do not consider extraordinary events or circumstances beyond its control. When used in this press release, words such as "anticipate", "continue", "could", "estimate", "expect", "forecast", "future", "intend", "may", "objective", "outlook", "plan", "predict", "project", "should", "will", "would" or the negative or comparable terminology as well as terms usually used in the future and the conditional are generally intended to identify forward-looking statements, although not all forward-looking statements include such words.

The information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making expectations, forecasts, projections, predictions, or estimations, including, without limitation: that the Consideration will be paid to shareholders of the Corporation, that the Shares will be delisted from the Toronto Stock Exchange and Euronext Growth and withdrawn from OTCQX and that the Corporation will cease to be a reporting issuer in accordance with the timing currently expected. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Corporation's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Corporation's business and anticipated operating environment.

Forward-looking statements are necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Corporation as of the date of this press release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Several factors, risks or uncertainties could cause the



actual results to differ materially from the results discussed in the forward-looking statements. Should one or more of these factors, risks or uncertainties materialize or should the assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. Such factors include, without limitation, a delay in the payment of the Consideration to shareholders of the Corporation, in the delisting of the Shares from the Toronto Stock Exchange and Euronext Growth or withdrawal of the Shares from OTCQX or in the Corporation ceasing to be a reporting issuer. The Corporation cautions that the foregoing list of factors is not exhaustive. Additional information about the risk factors to which the Corporation is exposed to is provided in the Annual Information Form dated September 27, 2023, which is available on SEDAR+ (www.sedarplus.ca).

The forward-looking statements set forth herein reflect the Corporation's expectations as of the date hereof, and are subject to change after this date. The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraphs and the risk factors described herein should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. 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 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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