

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

Master File No. 1:18-cv-10320-JPC

IN RE EVOQUA WATER TECHNOLOGIES
CORP. SECURITIES LITIGATION

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action ("Action") pending in the United States District Court for the Southern District of New York ("Court") if you purchased or otherwise acquired publicly traded common stock of Evoqua Water Technologies Corp. ("Evoqua") during the period from November 1, 2017 through October 30, 2018, inclusive (the "Class Period") and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs Louisiana Sheriffs' Pension & Relief Fund ("Louisiana Sheriffs") and City of Omaha Police & Fire Retirement System ("Omaha P&F," together with Louisiana Sheriffs, "Lead Plaintiffs"), and additional class representative City of Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust ("Hallandale P&F" and, together with Lead Plaintiffs, "Plaintiffs"), on behalf of themselves and the Settlement Class (as defined in ¶ 29 below), have reached a proposed settlement of the Action with Defendants (defined below) for \$16,650,000 in cash that, if approved, will resolve all claims in the Action ("Settlement").

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, the Clerk's Office, Defendants, or Defendants' Counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 72 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to the proposed Settlement of claims in a pending putative securities class action brought by investors against Evoqua, certain Evoqua executives (the "Executive Defendants")², certain directors of Evoqua (the "Director Defendants")³, the underwriters of Evoqua's November 1, 2017 Initial Public Offering ("IPO") and/or March 15, 2018 Secondary Public Offering ("SPO") (the

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated May 28, 2021 ("Stipulation"), which is available at www.EvoquaSecuritiesLitigation.com.

² The Executive Defendants are Ronald C. Keating, the President and Chief Executive Officer of Evoqua; Benedict J. Stas, Evoqua's Chief Financial Officer and Treasurer; and Anthony Webster, Evoqua's Chief Human Resource Officer. Kenneth Rodi, Evoqua's Products Segment President, was also originally named as an "Executive Defendant," but was subsequently dismissed from the Action. Although Mr. Rodi is not a party to the Settlement, all claims against him will also be released in his capacity as a Released Defendant Person if the Settlement is approved.

³ The Director Defendants are Martin Lamb, Nick Bhambri, Gary Cappeline, Judd Gregg, Brian Hoesterey, Vinay Kumar, and Peter M. Wilver.

“Underwriter Defendants”)⁴, and an investment firm, AEA Investors LP and certain of its affiliated entities (“AEA Defendants”)⁵, which owned shares that gave them voting control over Evoqua during the Class Period. Plaintiffs allege that Defendants violated the federal securities laws by making false and misleading statements and omissions, including in the offering materials for the IPO or SPO, or controlled another Defendant who violated the federal securities laws. A more detailed description of the Action is set forth in ¶¶ 11-28 below. The Settlement, if approved by the Court, will settle the claims of the Settlement Class, as defined in ¶ 29 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$16,650,000 in cash (“Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (“Settlement Fund”) less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (“Plan of Allocation”) is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs’ damages consultant’s estimate of the number of shares of publicly traded Evoqua common stock purchased or otherwise acquired during the Class Period that may have been affected by the alleged conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery per eligible share of Evoqua common stock (before the deduction of any Court-approved fees, expenses, and costs as described herein) is approximately \$0.21 per share. **Settlement Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors: (i) when and the price at which they purchased/acquired shares of Evoqua common stock; (ii) whether they sold their shares of Evoqua common stock and, if so, when; and (iii) the total number and value of valid Claims submitted to participate in the Settlement. Distributions to Settlement Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the amount of damages per share of Evoqua common stock that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree that they violated the federal securities laws or that, even if liability could be established, any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel have not received any payment of attorneys’ fees for their representation of the Settlement Class in the Action and have advanced the funds to pay expenses incurred to prosecute this Action with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be paid for their expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) and Scott+Scott Attorneys at Law LLP (“Scott+Scott”), will apply to the Court for an award of attorneys’ fees on behalf of all Plaintiffs’ Counsel⁶ in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for Litigation Expenses incurred by Plaintiffs’ Counsel in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$375,000, which amount may include a request for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Evoqua common stock, if the Court approves Lead Counsel’s attorneys’ fees and Litigation Expenses application, is approximately \$0.06 per share. **Please note that this amount is only an estimate.**

6. **Identification of Attorneys’ Representatives:** Plaintiffs and the Settlement Class are represented by Jeremy P. Robinson, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY

⁴ The Underwriter Defendants are Credit Suisse (USA) LLC, J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., Stifel, Nicolaus & Company, Incorporated, Wells Fargo Securities, LLC, and Cowen and Company, LLC.

⁵ The AEA Defendants are AEA Investors LP, AEA EWT Holdings LP, AEA EWT Holdings GP LLC, AEA Investors Fund V LP, AEA Investors Participant Fund V LP, AEA Investors QP Participant Fund V LP, AEA Investors Fund V-A LP, AEA Investors Fund V-B LP, AEA Investors PF V LLC, AEA Investors Partners V LP, and AEA Management (Cayman) Ltd.

⁶ Plaintiffs’ Counsel are Lead Counsel and Klausner, Kaufman, Jensen & Levinson, P.A. (“Klausner Kaufman”), additional counsel for Louisiana Sheriffs and Hallandale P&F.

10020, 1-800-380-8496, settlements@blbgllaw.com and William C. Fredericks of Scott+Scott Attorneys at Law LLP, The Helmsley Building, 230 Park Ave, 17th Floor, New York, NY 10169, (800) 404-7770, wfredericks@scott-scott.com. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Lead Counsel or the Claims Administrator at: *Evoqua Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 170900, Milwaukee, WI 53217, 1-855-569-5890, info@EvoquaSecuritiesLitigation.com. **Please do not contact the Court regarding this notice.**

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays and costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after a motion for summary judgment, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions of the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN DECEMBER 3, 2021.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 38 below) that you have against Defendants and the other Released Defendant Persons (defined in ¶ 39 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 12, 2021.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that may allow you to ever be part of any other lawsuit against Defendants or the Released Defendant Persons concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 12, 2021.	If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the requested attorneys' fees and Litigation Expenses, you may object by writing to the Court and explaining why you do not like them. You cannot object unless you are a member of the Settlement Class and do not exclude yourself from the Settlement Class.
ATTEND A HEARING ON NOVEMBER 1, 2021 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN OCTOBER 12, 2021.	Filing a written objection and notice of intention to appear by October 12, 2021 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) participate in the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

These rights and options – and the deadlines to exercise them – are further explained in this Notice. **Please Note:** The date and time of the Settlement Hearing – currently scheduled for November 1, 2021 at 11:00 a.m. – is subject to change without further notice to the Settlement Class. If you plan to attend the hearing, you should check the Settlement website, www.EvoquaSecuritiesLitigation.com, or with Lead Counsel as set forth above to confirm that

no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

8. The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired shares of Evoqua common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you (if you are a Settlement Class Member) might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses ("Settlement Hearing"). See ¶¶ 62-63 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time.

WHAT IS THIS CASE ABOUT?

11. Evoqua is a water technology company that provides products and services such as wastewater treatment, water disinfection for pools, aquatic applications, and water purification to various industries, municipalities, waterparks, and other commercial or public entities. Following its IPO on November 1, 2017, at the beginning of the Class Period, Evoqua common stock traded on the New York Stock Exchange under the ticker symbol AQUA.

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12. This Action is a securities class action brought against Evoqua, certain of its executive officers and directors, the underwriters of Evoqua's public offerings of common stock during the Class Period, and an investment firm that owned a controlling interest in Evoqua. In the Action, Plaintiffs allege that, during the Class Period, certain Defendants made materially false and misleading statements and omissions, including in the offering materials for Evoqua's November 1, 2017 IPO and March 15, 2018 SPO, concerning (1) Evoqua's financial health, including through artificially inflating reported revenue in violation of Generally Accepted Accounting Principles ("GAAP"), (2) the state of its salesforce, and (3) its integration of recently acquired companies. Plaintiffs further allege that the price of Evoqua common stock was artificially inflated during the Class Period as a result of the allegedly false and misleading statements, and declined when the truth was revealed in a series of partial corrective disclosures from May 8, 2018 through October 30, 2018.

13. On November 6, 2018, a putative securities class action complaint was filed in the Court, styled *McWilliams v. Evoqua Water Technologies Corp. et al.*, Case No. 1:18-cv-10320, brought on behalf of certain purchasers of Evoqua common stock.

14. On January 31, 2019, the Court appointed Louisiana Sheriffs and Omaha P&F as Lead Plaintiffs and approved Lead Plaintiffs' selection of Bernstein Litowitz Berger & Grossmann LLP and Scott+Scott Attorneys at Law LLP as Lead Counsel for the class.

15. On April 3, 2019, Lead Plaintiffs filed and served their Consolidated Class Action Complaint (ECF No. 42) (the "Complaint"). The Complaint alleges claims under Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and U.S. Securities and Exchange Commission ("SEC") Rule 10b-5 promulgated thereunder against Evoqua, the Executive Defendants, and the AEA Defendants; and claims under Section 20(a) of the Exchange Act against the Executive Defendants and the AEA Defendants. The Complaint also alleges claims under Section 11 of the Securities Act of 1933 ("Securities Act") against Evoqua, certain of the Executive Defendants, the Director Defendants, and the Underwriter Defendants; claims under Section 12(a)(2) of the Securities Act against Evoqua and the Underwriter Defendants; and claims under Section 15 of the Securities Act against certain of the Executive Defendants and the AEA Defendants.

16. The Complaint alleges that certain Defendants made materially false and misleading statements and omissions about Evoqua's business, including with regard to the state of its salesforce and the state of its efforts to successfully integrate several recent acquisitions, and that Evoqua had engaged in certain undisclosed improper accounting practices and had published financial results that did not comply with GAAP. The Complaint further alleges that the price of Evoqua common stock was artificially inflated during the Class Period as a result of the allegedly false and misleading statements and omissions, and that the price of that stock declined when the truth concerning Evoqua's condition and performance was revealed through a series of alleged corrective disclosures beginning in May 2018. The Complaint also alleges that the offering documents for the IPO and SPO contained false and misleading statements concerning the same topics.

17. On June 26, 2019, Defendants filed motions to dismiss the Complaint. On March 30, 2020, after the motions were fully briefed, the Court issued an Opinion and Order denying in part and granting in part the motions to dismiss. The Court dismissed Lead Plaintiffs' Exchange Act claims, but sustained the Securities Act claims arising out of the IPO and SPO (except as to Section 15 control person claim against Executive Defendants Rodi and Webster).

18. On June 5, 2020, the remaining Defendants filed and served answers to the Complaint.

19. Following the negotiation of a detailed case management order and the drafting and service of comprehensive document requests, discovery in the Action commenced in the spring of 2020. Beginning in the summer of 2020, the parties engaged in multiple rounds of negotiations over various discovery-related matters, including several hundred electronic search terms and the specific individuals whose custodial files were to be searched for responsive documents. Over the course of discovery, Defendants and multiple third parties (including Evoqua's outside auditors) ultimately produced more than 1.6 million pages of documents to Plaintiffs, and Plaintiffs produced over 2,500 pages of documents to Defendants. The Parties also exchanged initial disclosures, and exchanged numerous letters and emails concerning various disputed discovery issues, and some of the Parties also served and responded to interrogatories. The Parties also filed regular status reports with the Court during the discovery process.

20. Four depositions were conducted in the Action, including depositions of representatives of each of the three Plaintiffs and a deposition of Defendants' expert witness in connection with Plaintiffs' class certification motion. In addition, the depositions of various current Evoqua employees (as well as of several third parties) had been noticed at the time the Parties reached an agreement in principle to settle the Action.

21. On December 4, 2020, Plaintiffs filed and served their motion for class certification, and to appoint Hallandale P&F as an additional proposed class representative, which was accompanied by a report from Plaintiffs' expert Questions? Call 1-855-569-5890 or visit www.EvoquaSecuritiesLitigation.com

on common damages methodologies. Defendants filed and served their opposition to the motion with an accompanying expert report on February 19, 2021 and Plaintiffs filed and served their reply papers on April 1, 2021, which included another expert report regarding tracing issues. On April 5, 2021, Evoqua filed a letter motion for leave to file a sur-reply and Plaintiffs filed an opposition on April 6, 2021. The motion for class certification was pending before the Court when the agreement to settle was reached.

22. Pursuant to the Court’s Case Management Order setting a deadline for the Parties to hold an initial mediation session, in late 2020 the Parties began discussions about retaining an experienced mediator to see if the Parties might be able to resolve the Action through an arms-length mediation process. The Parties ultimately agreed to mediate under the auspices of Greg Danilow, Esq. (the “Mediator”) of Phillips ADR, a nationally recognized alternative dispute firm with significant experience in mediating securities class actions and other complex litigations. The Mediator is a well-known, retired securities litigator with over 40 years of experience with cases such as this one.

23. In connection with this mediation process, both Plaintiffs and Evoqua prepared and exchanged comprehensive mediation statements with accompanying appendices of exhibits. In addition, both sides exchanged information concerning their respective damages calculations, based on the analyses performed by their respective damages experts. In connection with the mediation (and their overall litigation preparation), Plaintiffs also consulted with their retained expert forensic accountants to help assess the strengths and weaknesses of their claims. Prior to the initial mediation session, Lead Plaintiffs and Evoqua also researched and prepared responses to numerous specific questions that the Mediator posed based on his review of the Parties’ respective written mediation submissions.

24. Plaintiffs, Evoqua, and Evoqua’s insurance carriers held an initial full-day mediation session, via Zoom, with the Mediator on March 19, 2021. At the March 19, 2021 mediation session, the parties to the mediation engaged in vigorous settlement negotiations under the auspices of the Mediator, but were unable to reach an agreement. Over the next several weeks, the parties to the mediation engaged in additional discussions and negotiations under the Mediator’s supervision, and also agreed to hold a second mediation session on April 15, 2021. Throughout this period, the Parties continued to actively litigate the Action, serving additional discovery (including the production of documents and privilege logs), continuing their review and analysis of documents, preparing for depositions, and consulting with their retained experts.

25. Plaintiffs, Evoqua, and Evoqua’s insurance carriers held a second full-day mediation session, also via Zoom, before the Mediator on April 15, 2021. At the April 15, 2021 mediation session, the parties to the mediation made progress towards reducing their differences in their respective settlement positions, but still had not reached a resolution. However, by the end of the April 15, 2021 mediation session, the parties to the mediation had both agreed to accept a “mediator’s proposal” that they agree to try to negotiate a settlement within a relatively narrow range that the Mediator had proposed as “fair and reasonable.” After approximately three weeks of additional negotiations, the Parties were ultimately able to reach an agreement in principle to settle the Action for \$16,650,000, an amount that was within the range reflected in the Mediator’s “mediator’s proposal” of April 15.

26. The Parties then negotiated and executed a term sheet (the “Term Sheet”) on May 10, 2021, which memorialized the material terms (subject to judicial approval) of the Parties’ settlement. In particular, the Term Sheet set forth, among other things, the Parties’ binding agreement to settle all of the Settlement Class’s claims against Defendants in exchange for a cash payment of \$16,650,000 for the benefit of the Settlement Class, subject to certain terms and conditions to be more fully set forth in a customary “long form” stipulation and agreement of settlement.

27. On May 28, 2021, the Parties entered into a Stipulation and Agreement of Settlement (the “Stipulation”), which sets forth the full terms and conditions of the Settlement. The Stipulation can be viewed at www.EvoquaSecuritiesLitigation.com.

28. On July 8, 2021, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

29. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded from the Settlement Class. The Settlement Class certified by the Court solely for purposes of effectuating the Settlement consists of:

All persons and entities that purchased or otherwise acquired publicly traded Evoqua common stock during the period from November 1, 2017 through October 30, 2018, inclusive, and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants; (ii) any directors, Officers, partners, or members of any Defendant; (iii) members of the Immediate Families of all natural persons who are excluded parties under (i) or (ii); (iv) the Affiliates⁷ of any Defendant; (v) any firm, trust, corporation, or other entity in which any Defendant or any other excluded person or entity has a majority ownership interest; and (vi) the legal representatives, heirs, successors, and assigns of any such excluded person or entity. For the avoidance of doubt, (i) the foregoing exclusions do not apply where the person or entity that is excluded from the Settlement Class (or the entity in which such person or entity has a majority ownership interest) acts as nominee, trustee, street name holder, fund manager, or in any other fiduciary capacity for persons or entities who otherwise would be entitled to be included in the Settlement Class, and (ii) any Investment Vehicle⁸ shall not be excluded from the Settlement Class. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page 11 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN DECEMBER 3, 2021.

WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

30. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the significant expense and length of the continued proceedings that would be necessary to pursue their claims against Defendants through the completion of discovery, certification of the class, summary judgment, trial, and appeals, as well as the substantial risks they would face in establishing liability and damages. First, some risks in the case had already materialized when the Court found that Lead Plaintiffs had not adequately alleged that certain Defendants made the alleged misstatements with fraudulent intent or recklessly, and dismissed all claims brought under the Exchange Act. Plaintiffs would have faced significant hurdles in seeking to add those allegations back in an amendment or overturning that decision on appeal after a final judgment. Second, with respect to the remaining claims, under the Securities Act, Plaintiffs faced risks in proving that statements in Evoqua’s offering materials were false or misleading. For example, Plaintiffs faced significant risk proving that the offering materials included misleading disclosures concerning Evoqua’s sales force terminations. Defendants argued vehemently that Evoqua’s sales force reduction was fully disclosed in their public filings and, in support, pointed to discussion of a voluntary separation program. Likewise, Plaintiffs faced challenges proving that the offering materials misled investors regarding the success of Evoqua’s integration of acquired companies. In that regard, Defendants pointed to the multiple acquisitions that Evoqua had made around the time of and during the Class Period to argue that the vast majority of them were successful and were not even challenged by Plaintiffs. Finally, Plaintiffs’ accounting manipulation allegations were also subject to significant risk. Indeed, Defendants cited the fact that Evoqua’s independent auditor issued an unqualified opinion for all periods at issue and, to the extent that any accounting discrepancies existed, determined that they were all immaterial. Plaintiffs also faced risk from Defendants’ affirmative defenses, including their negative causation and due diligence defenses. Thus, there were very significant risks attendant to the continued prosecution of the Action, including the risk of zero recovery. The Settlement eliminates these risks. It also eliminates the risk and costs attendant with the delay inherent in further litigation.

⁷ “Affiliate” means any person or entity controlled by, controlling, or under common control with another person or entity.

⁸ “Investment Vehicle” means any investment company, separately managed account or pooled investment fund, including, but not limited to mutual fund families, exchange-traded funds, fund of funds, hedge funds, and employee benefit plans, in which any Defendant has or may have a direct or indirect interest, or as to which that Defendant or its Affiliates may act as an investment advisor or manager, but in which any Defendant alone or together with its, his or her respective Affiliates is not a majority owner or does not hold a majority beneficial interest.

31. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Plaintiffs and Lead Counsel believe that the Settlement provides a favorable result for the Settlement Class, namely \$16,650,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after resolution of Plaintiffs' pending class certification motion, full discovery, summary judgment, trial, and appeals, possibly years in the future.

32. Defendants have denied and continue to deny the claims and allegations asserted against them in the Action, including that: they or the offering materials made false and misleading statements, they knew or recklessly disregarded material facts undermining their or the offering materials' statements at the time the statements were made, and Plaintiffs or Settlement Class Members suffered any damages or harm by the conduct alleged in the Action. Defendants have nonetheless agreed to the Settlement solely to eliminate the uncertainty, burden, and expense of continued litigation. The Settlement is not and may not be construed as an admission of any wrongdoing by Defendants in this or any other action or proceeding.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

33. If there were no Settlement, and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in establishing any of their defenses either at summary judgment, at trial, or on appeal, the Settlement Class could recover less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

34. As a Settlement Class Member, you are represented by Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 12 below.

35. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you must exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 11 below.

36. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's application for attorneys' fees and Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 12 below.

37. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 38 below) against Defendants and the other Released Defendant Persons (as defined in ¶ 39 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Released Defendant Persons.

38. "Released Plaintiffs' Claims" means any and all claims, demands, rights, liabilities, losses, obligations, damages, and causes of action of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, under any federal, state, foreign, or other applicable law, rule or regulation, that were asserted in the Complaint or could have been asserted in any forum arising out of or in any way relating (directly or indirectly) to (i) the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint (including the IPO and SPO, any statements, disclosures or omissions during the Class Period in any of Evoqua's filings with the SEC or other statements to the financial

markets, and/or the accuracy of Evoqua's financial statements during the Class Period) and (ii) the purchase or other acquisition of Evoqua common stock (including any decision to buy Evoqua common stock) during the Class Period. For the avoidance of doubt, the Released Plaintiffs' Claims do not include any derivative claims asserted in the consolidated derivative litigation captioned *In re Evoqua Water Technologies Corp. Derivative Litigation*, No. 2:19-cv-00410-MPK (W.D. Pa.) (the "Derivative Litigation"), or any derivative cases consolidated into the Derivative Litigation, or any claims relating to the enforcement of the Settlement.

39. "Released Defendant Persons" means (i) Defendants, (ii) all past and present Affiliates of the Defendants, (iii) all past and present officers, directors, employees, members, limited or general partners, insurers, attorneys, financial or investment advisors, auditors, consultants, agents, representatives, successors, and assigns of the persons and entities in (i) and (ii).

40. "Unknown Claims" means any Released Plaintiffs' Claims or Released Defendants' Claims (collectively, "Released Claims") that a person granting a release in connection with the Settlement does not know or suspect to exist in his, her, or its favor at the time of the release, including without limitation those which, if known, might have affected the decision to enter into or object to the Settlement. Upon the Effective Date, Plaintiffs and Defendants expressly waive, relinquish and release, and the members of the Settlement Class by operation of final approval of the Settlement by the Court shall be deemed to have waived, relinquished and released, any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law or principle of common law of the United States or any state or territory of the United States which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and all members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Settling Parties to completely, fully, finally and forever extinguish any and all Released Claims without regard to the subsequent discovery of additional or different facts. The inclusion of "Unknown Claims" in the definition of "Released Plaintiffs' Claims" and "Released Defendants' Claims" was separately bargained for and was a material element of the Settlement and was relied upon by the Parties in entering into the Stipulation and agreeing to the Settlement.

41. Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim (as defined in ¶ 42 below) against Plaintiffs and the other Released Plaintiff Persons (as defined in ¶ 43 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiff Persons. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

42. "Released Defendants' Claims" means any and all claims, demands, rights, liabilities, losses, obligations, damages, and causes of action of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, under any federal, state, foreign, or other applicable law, rule or regulation, arising out of or in any way relating (directly or indirectly) to the institution, prosecution, or settlement of this Action, except for claims relating to the enforcement of the Settlement.

43. "Released Plaintiff Persons" means (i) Plaintiffs and all other Settlement Class Members, (ii) all past and present Affiliates of any Settlement Class Member, (iii) all past and present officers, directors, employees, members, limited or general partners, insurers, attorneys, financial or investment advisors, auditors, consultants, agents, representatives, successors, and assigns of the persons and entities included in (i) or (ii).

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

44. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation *postmarked (if*

mailed), or submitted online at www.EvoquaSecuritiesLitigation.com, no later than December 3, 2021. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator, www.EvoquaSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-855-569-5890, or by emailing the Claims Administrator at info@EvoquaSecuritiesLitigation.com. **Please retain all records of your ownership of and transactions in Evoqua common stock, as they may be needed to document your Claim.** If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

45. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

46. Pursuant to the Settlement, Evoqua, on behalf of all Defendants, shall pay or cause to be paid \$16,650,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

47. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a Plan of Allocation and that decision is affirmed on appeal (if any) and/or the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

48. Neither Defendants, the Released Defendant Persons, nor any other person or entity (including Defendants’ insurance carriers) who or which paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or Judgment approving the Settlement becomes Final. Defendants and the other Released Defendant Persons shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

49. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked (if mailed), or online, on or before December 3, 2021 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 38 above) against the Released Defendant Persons (as defined in ¶ 39 above) and will be enjoined and prohibited from prosecuting any of the Released Plaintiffs’ Claims against any of the Released Defendant Persons whether or not such Settlement Class Member submits a Claim Form.

50. Participants in and beneficiaries of any employee retirement and/or benefit plan (“Employee Plan”) should NOT include any information relating to shares of Evoqua common stock purchased/acquired through an Employee Plan in any Claim Form they submit in this Action. They should include ONLY those eligible shares of Evoqua common stock purchased/acquired during the Class Period outside of an Employee Plan.

51. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

52. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

53. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities who are excluded from the Settlement Class by definition or who exclude themselves from the Settlement Class pursuant to an exclusion request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

54. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Plaintiffs. At the Settlement Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

55. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class; nor have Plaintiffs' Counsel been paid for their litigation expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. Lead Counsel BLB&G and Scott+Scott have a fee or work sharing agreement to divide the total attorneys' fees that the Court may award in amounts commensurate with their respective efforts and contributions in the litigation. Lead Counsel BLB&G also has retention agreements with Louisiana Sheriffs and Hallandale P&F, which provide that Klausner Kaufman, additional fiduciary counsel for Louisiana Sheriffs and Hallandale P&F, will work together with Lead Counsel on this action, and BLB&G will compensate Klausner Kaufman for that work from the attorneys' fees that the Court approves in an amount commensurate with Klausner Kaufman's efforts and contributions in the litigation. At the same time, Lead Counsel also intend to apply for payment from the Settlement Fund of Plaintiffs' Counsel's Litigation Expenses and may apply for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class, in a total amount not to exceed \$375,000. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

56. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion addressed to: *Evoqua Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The request for exclusion must be **received no later than October 12, 2021**. You will not be able to exclude yourself from the Settlement Class after that date.

57. Each request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *In re Evoqua Water Technologies Corp. Securities Litigation*, Master File No. 1:18-cv-10320-JPC (S.D.N.Y.)"; (iii) state the number of shares of publicly traded Evoqua common stock that the person or entity requesting exclusion purchased/acquired and/or sold during the Class Period (from November 1, 2017 through October 30, 2018, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

58. A request for exclusion shall not be valid and effective unless it provides all the information called for in ¶ 57 and is received within the time stated above, or is otherwise accepted by the Court.

59. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Released Defendant Persons. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Released Defendant Persons concerning the Released Plaintiffs' Claims. **Please note:** If you decide to exclude yourself from the Settlement Class, Defendants and the other Released Defendant Persons will have the right to assert any and all defenses they may have to any claims that you may seek to assert.

60. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

61. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

62. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to the Settlement Class. In addition, the COVID-19 pandemic is a fluid situation that creates the possibility that the Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Settlement Class Members to appear at the hearing by phone, without further written notice to the Settlement Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.EvoquaSecuritiesLitigation.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, www.EvoquaSecuritiesLitigation.com. If the Court requires or allows Settlement Class Members to participate in the Settlement Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to the Settlement website, www.EvoquaSecuritiesLitigation.com.**

63. The Settlement Hearing will be held on **November 1, 2021 at 11:00 a.m.**, before the Honorable John P. Cronan, in person at the United States District Court for the Southern District of New York, Courtroom 12D, 500 Pearl Street, New York, NY 10007. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

64. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below as well as serve copies on Lead Counsel and Representative Defendants' Counsel at the addresses set forth below **on or before October 12, 2021**.

Clerk's Office

United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

Lead Counsel

Bernstein Litowitz Berger &
Grossmann LLP
Jeremy P. Robinson, Esq.
1251 Avenue of the Americas
New York, NY 10020

Scott+Scott Attorneys
at Law LLP
William C. Fredericks, Esq.
The Helmsley Building
230 Park Ave, 17th Floor
New York, NY 10169

**Representative
Defendants' Counsel**

Fried, Frank, Harris, Shriver
& Jacobson LLP
Scott Brian Luftglass, Esq.
One New York Plaza
New York, NY 10004

You must also **email** the objection and any supporting papers on or before October 12, 2021 to settlements@blbglaw.com, wfredericks@scott-scott.com, and scott.luftglass@friedfrank.com.

65. Any objections, filings, and other submissions by the objecting Settlement Class Member: (a) must identify the case name and docket number, *In re Evoqua Water Technologies Corp. Securities Litigation*, Master File No. 1:18-cv-10320-JPC (S.D.N.Y.); (b) must state the name, address, and telephone number of the person or entity objecting, and if represented by counsel, the name, address, and telephone number of such counsel, and must be signed by the objector; (c) must state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the

objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (d) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of publicly traded Evoqua common stock that the objecting Settlement Class Member purchased/acquired and/or sold during the Class Period (from November 1, 2017 through October 30, 2018, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The objecting Settlement Class Member shall provide documentation establishing membership in the Settlement Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

66. You may not object to the Settlement, Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

67. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless (i) you first submit a written objection in accordance with the procedures described above, (ii) you first submit your notice of appearance in accordance with the procedures described below, or (iii) the Court orders otherwise.

68. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Representative Defendants' Counsel at the addresses set forth in ¶ 64 above so that it is **received on or before October 12, 2021**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

69. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Representative Defendants' Counsel at the addresses set forth in ¶ 64 above so that the notice is **received on or before October 12, 2021**.

70. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES OF EVOQUA COMMON STOCK ON SOMEONE ELSE'S BEHALF?

71. If you purchased or otherwise acquired publicly traded Evoqua common stock during the period from November 1, 2017 through October 30, 2018, inclusive, for the beneficial interest of a person or entity other than yourself, you must either (i) within ten (10) business days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form ("Notice Packet") to forward to all such beneficial owners and within ten (10) business days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within ten (10) business days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to *Evoqua Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 170900, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may be obtained from the Settlement website, www.EvoquaSecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-855-569-5890, or by emailing the Claims Administrator at info@EvoquaSecuritiesLitigation.com.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

72. This Notice contains only a summary of the terms of the Settlement. For the terms and conditions of the Settlement, please see the Stipulation available at www.EvoquaSecuritiesLitigation.com. More detailed information about the matters involved in this Action can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.ilnd.uscourts.gov>, or by visiting, during regular office hours, the Office of the Clerk, United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007. Additionally, copies of any related orders entered by the Court and certain other filings in this Action will be posted on the Settlement website, www.EvoquaSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Evoqua Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 170900
Milwaukee, WI 53217
1-855-569-5890
info@EvoquaSecuritiesLitigation.com
www.EvoquaSecuritiesLitigation.com

and/or

Jeremy P. Robinson, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020
(800) 380-8496
settlements@blgbglaw.com

William C. Fredericks, Esq.
The Helmsley Building
230 Park Ave, 17th Floor
New York, NY 10169
(800) 404-7770
wfredericks@scott-scott.com

**PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR
DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

Dated: August 5, 2021

By Order of the Court
United States District Court
Southern District of New York

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

1. The Plan of Allocation (the “Plan”) set forth herein is the plan that is being proposed to the Court for approval by Plaintiffs after consultation with their damages consultant. The Court may approve the Plan with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any Orders regarding a modification to the Plan will be posted on the website www.EvoquaSecuritiesLitigation.com. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan.

2. The objective of the Plan is to equitably distribute the Net Settlement Fund among those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Complaint, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto, taking into consideration the strength of the claims.

3. Calculations made pursuant to the Plan do not represent a formal damages analysis that has been adjudicated in the Action and are not intended to measure the amounts that Settlement Class Members would recover after a trial. Nor are these calculations intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making a *pro rata* allocation of the Net Settlement Fund.

4. All purchases of publicly traded Evoqua common stock (“Evoqua Shares”) during the Class Period are potentially eligible for compensation based on claims asserted under Sections 10(b) and 20(a) of the Exchange Act. In addition, certain purchases of Evoqua common stock during the Class Period—shares that were purchased in or traceable to the November 1, 2017 IPO or the March 15, 2018 SPO—are also potentially eligible for compensation based on claims asserted under Sections 11, 12(a)(2), and 15 of the Securities Act.

Securities Act Loss Amounts

5. Plaintiffs asserted Securities Act claims with respect to shares of Evoqua Shares that were purchased or acquired during the Class Period “pursuant or traceable to” either the IPO or SPO. Because the IPO was an initial offering of the shares and no additional shares entered the market until the SPO, all Evoqua Shares purchased between the November 1, 2017 IPO through March 14, 2018 (the day before the SPO) are traceable to the IPO, and potentially eligible for recovery under the Securities Act. The SPO occurred on March 15, 2018 and all shares of Evoqua Shares purchased directly in that offering (at exactly \$22.00 per share) are potentially eligible for recovery under the Securities Act. For shares purchased on the open market from March 15, 2018 through October 30, 2018, however, only claimants who can establish that those shares were originally issued in, and hence “traceable to”, the IPO or SPO will be potentially eligible for Securities Act damages. *See* Claim Form, Instructions, ¶ 8.

6. The statutory formula for the calculation of compensable losses under the Securities Act (at Section 11(e) thereof) serves as the basis for calculating Securities Act Loss Amounts under the Plan. The formulas stated below in ¶ 13 and ¶ 14 below, which were developed by Plaintiffs’ damages expert, track that statutory formula. Under these formulas, November 6, 2018 (when the first complaint in this Action was filed) is deemed the “date of suit,” and May 28, 2021, the date that the Stipulation was executed, is deemed the “date of judgment.”

Exchange Act Loss Amounts

7. Section 10(b) of the Exchange Act provides the initial basis for calculating compensable losses based on the purchase or acquisition of Evoqua Shares during the Class Period, whether they were purchased in the open market or in or traceable to the IPO or SPO. In developing the Plan, Plaintiffs’ damages expert calculated the estimated amount of artificial inflation in the closing prices of Evoqua Shares which allegedly was proximately caused by Defendants’ alleged false and misleading statements and material omissions. In calculating the estimated artificial inflation allegedly caused by Defendants’ alleged misrepresentations and omissions, Plaintiffs’ damages expert considered price changes in Evoqua Shares in reaction to certain public announcements that allegedly revealed the truth concerning Defendants’ alleged misrepresentations and material omissions, after adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation per Evoqua Share during the Class Period is stated in Table A at the end of this Notice.

8. For losses to be compensable damages under Section 10(b), the disclosure of the allegedly misrepresented information must be, among other things, the cause of the decline in the price or value of the security. Here, Plaintiffs allege that Defendant made false statements and omitted material facts during the Class Period which had the effect of artificially

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inflating the prices of Evoqua Shares. Plaintiffs further allege that corrective information was released to the market on several dates which partially removed the artificial inflation from the price of Evoqua Shares on May 8, 2018, August 7, 2018, and October 30, 2018.

9. Exchange Act Loss Amounts for transactions in Evoqua Shares are calculated under the Plan based primarily on the difference in the amount of alleged artificial inflation in the prices of Evoqua common stock at the time of purchase/acquisition and at the time of sale, or the difference between the actual purchase/acquisition price and sale price. Accordingly, to have an Exchange Act Loss Amount under the Plan (1) a claimant who purchased or acquired Evoqua Shares prior to the first alleged corrective disclosure, which occurred before the opening of trading on May 8, 2018, must have held that through at least that date, and (2) a claimant who purchased or acquired Evoqua Shares *after* the opening of trading on May 8, 2018 must have held that stock through at least one later alleged corrective disclosure.

10. Because the Court dismissed Plaintiffs' Exchange Act claims (but not their Securities Act claims), Exchange Act Loss Amounts calculated under the Plan will be materially discounted (compared to the Securities Act Loss Amounts). *See* ¶ 16 and fn. 10. This discount will help ensure that, in light of the dismissal of the Exchange Act claims, Settlement Class Members' respective recoveries will more fairly reflect the relative strengths and weaknesses of their claims, based on whether they also have eligible Securities Act claims.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

11. A "**Recognized Loss Amount**" will be calculated as set forth below for each publicly traded share of Evoqua common stock ("Evoqua Share") purchased or otherwise acquired from November 1, 2017 through October 30, 2018, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

12. The **Recognized Loss Amount** for each purchase or acquisition of publicly traded Evoqua Shares during the Class Period is *the greater of* (a) the **Securities Act Loss Amount** calculated under paragraph 13 or 14 below, if any, *or* (b) the **Adjusted Exchange Act Loss Amount** calculated under paragraphs 15 and 16 below.

Securities Act Loss Amounts

13. **Purchases of Evoqua Common Stock In or Traceable to the November 1, 2017 Initial Public Offering ("IPO"):** For each Evoqua Share either (a) purchased directly in the November 1, 2017 IPO, (b) purchased in the open market from November 2, 2017 through March 14, 2018, inclusive, or (c) purchased in the open market from March 15, 2018 through October 30, 2018, inclusive *and* for which the Claimant provides records establishing that those specific shares were originally issued in the IPO, and:

- (a) sold before the close of trading on November 6, 2018, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$18.00) minus the sale price per share;
- (b) sold after the close of trading on November 6, 2018 but before the close of trading on May 28, 2021, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$18.00) *minus* the greater of:
 - (i) the sale price per share or
 - (ii) \$9.88 (the closing price of Evoqua common stock on November 6, 2018, the date the lawsuit was filed);
- (c) held as of the close of trading on May 28, 2021, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$18.00) *minus* \$9.88.

14. **Purchases of Evoqua Common Stock In or Traceable to the March 15, 2018 Secondary Public Offering ("SPO"):** For each Evoqua Share either (a) purchased directly in the March 15, 2018 SPO, or (b) purchased in the open market from March 15, 2018 through October 30, 2018, inclusive *and* for which the Claimant provides records establishing that those specific shares were originally issued in the SPO, and:

- (a) sold before the close of trading on November 6, 2018, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$22.00) minus the sale price per share;
- (b) sold after the close of trading on November 6, 2018 but before the close of trading on May 28, 2021, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$22.00) *minus* the greater of:
 - (i) the sale price per share or
 - (ii) \$9.88 (the closing price of Evoqua Shares on November 6, 2018, the date the lawsuit was filed);
- (c) held as of the close of trading on May 28, 2021, the **Securities Act Loss Amount** is the purchase price per share (not to exceed \$22.00) *minus* \$9.88.

Adjusted Exchange Act Loss Amounts

15. For each Evoqua Share purchased from November 1, 2017 through October 30, 2018, inclusive (whether on the open market or in the IPO or SPO), and:

- (a) sold prior to the opening of trading on May 8, 2018, the **Exchange Act Loss Amount** is \$0;
- (b) sold after the opening of trading on May 8, 2018 but before the close of trading on October 29, 2018, the **Exchange Act Loss Amount** is *the lesser of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A *minus* the alleged artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase price *minus* the sale price;
- (c) sold from October 30, 2018 through the close of trading on January 25, 2019, the **Exchange Act Loss Amount** is *the least of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A; (ii) the purchase price *minus* the sale price; or (iii) the purchase price *minus* the average closing price between October 30, 2018 and the date of sale as stated in Table B;
- (d) held as of the close of trading on January 25, 2019, the **Exchange Act Loss Amount** is *the lesser of*: (i) the alleged artificial inflation per share on the date of purchase as stated in Table A; or (ii) the purchase price per share *minus* \$9.56.⁹

16. For every Exchange Act Loss Amount calculated in paragraph 15, an **Adjusted Exchange Act Loss Amount** shall be calculated, which will be the Exchange Act Loss Amount discounted by 85%. In other words, for each purchase of Evoqua Shares resulting in an Exchange Act Loss Amount under the Plan, the **Adjusted Exchange Act Loss Amount** will be the Exchange Act Loss Amount *times* 0.15.¹⁰

17. As noted above, for each purchase of publicly traded Evoqua common stock during the Class Period, a **Recognized Loss Amount** will be calculated which is *the greater of*: the Adjusted Section 10(b) Loss Amount or the Securities Act Loss Amount, if any. If a Recognized Loss Amount calculates to a negative number, the Recognized Loss Amount for that transaction will be zero.

ADDITIONAL PROVISIONS

18. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 25 below) is \$10.00 or greater.

19. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all purchases or acquisitions of publicly traded Evoqua common stock during the Class Period.

20. **FIFO Matching:** If a Settlement Class Member has more than one purchase/acquisition or sale of Evoqua Shares during the Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched against purchases/acquisitions of Evoqua Shares, in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

⁹ Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Exchange Act Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Evoqua common stock during the "90-day look-back period," from October 30, 2018 through January 25, 2019. The mean (average) closing price for Evoqua common stock during this 90-day look-back period was \$9.56.

¹⁰ The Exchange Act Loss Amount is discounted to reflect the fact that Plaintiffs' Exchange Act claims were dismissed in their entirety by the Court, and would have likely required a reversal of the Court's prior order of dismissal by the Second Circuit to be reinstated. The 85% discount on these claims reflects Lead Counsel's professional judgment that, although there were colorable grounds for an appeal, a reversal was still unlikely. *Cf.* Table B-5—U.S. Courts of Appeals Statistical Tables (Dec. 31, 2019), available at <https://www.uscourts.gov/statistics/table/b-5/statistical-tables-federal-judiciary/2019/12/31> (noting that reversal rate for all civil appeals in the Second Circuit in 2019 was 9.4%).

21. **“Purchase/Sale” Prices:** For the purposes of calculations under this Plan of Allocation, “purchase price” means the actual price paid, excluding all fees, taxes, and commissions, and “sale price” means the actual amount received, not deducting any fees, taxes, and commissions.

22. **“Purchase/Sale” Dates:** Purchases, acquisitions, and sales of Evoqua Shares will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. However, the receipt or grant by gift, inheritance, or operation of law of Evoqua Shares during the Class Period shall not be deemed an eligible purchase, acquisition, or sale for the calculation of a Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the stock unless (i) the donor or decedent purchased or acquired the Evoqua Shares during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares.

23. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase of the Evoqua Shares. The date of a “short sale” is deemed to be the date of sale of the Evoqua Shares. In accordance with the Plan, however, the Recognized Loss Amount on “short sales” is zero.

24. **Shares Purchased/Sold Through the Exercise of Options:** Option contracts to purchase or sell Evoqua Shares are not securities eligible to participate in the Settlement. With respect to Evoqua Shares purchased or sold through the exercise of an option, the purchase/sale date of the Evoqua Shares is the exercise date of the option, and the purchase/sale price is the exercise price of the option.

25. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

26. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

27. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

28. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Plaintiffs’ Counsel, Plaintiffs’ damages consultant, Defendants, Defendants’ Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders.

TABLE A

Estimated Artificial Inflation Per Share with Respect to Publicly Traded Evoqua Common Stock (“Evoqua Shares”) from November 1, 2017 through October 30, 2018

Date Range	Artificial Inflation Per Share
November 1, 2017 – May 7, 2018	\$8.59
May 8, 2018 – August 6, 2018	\$6.96
August 7, 2018 – October 29, 2018	\$4.95
October 30, 2018 and later	\$0.00

TABLE B

**90-Day Look-Back Table for Evoqua Shares
(Average Closing Price: October 30, 2018 – January 25, 2019)**

Sale Date	Average Closing Price from October 30, 2018 through Date	Sale Date	Average Closing Price from October 30, 2018 through Date	Sale Date	Average Closing Price from October 30, 2018 through Date
10/30/2018	\$9.02	11/28/2018	\$9.21	12/28/2018	\$9.40
10/31/2018	\$9.31	11/29/2018	\$9.18	12/31/2018	\$9.41
11/1/2018	\$9.43	11/30/2018	\$9.18	1/2/2019	\$9.42
11/2/2018	\$9.57	12/3/2018	\$9.19	1/3/2019	\$9.42
11/5/2018	\$9.69	12/4/2018	\$9.21	1/4/2019	\$9.43
11/6/2018	\$9.73	12/6/2018	\$9.22	1/7/2019	\$9.44
11/7/2018	\$9.83	12/7/2018	\$9.25	1/8/2019	\$9.44
11/8/2018	\$9.86	12/10/2018	\$9.28	1/9/2019	\$9.45
11/9/2018	\$9.84	12/11/2018	\$9.31	1/10/2019	\$9.46
11/12/2018	\$9.79	12/12/2018	\$9.35	1/11/2019	\$9.47
11/13/2018	\$9.76	12/13/2018	\$9.37	1/14/2019	\$9.48
11/14/2018	\$9.72	12/14/2018	\$9.38	1/15/2019	\$9.48
11/15/2018	\$9.67	12/17/2018	\$9.39	1/16/2019	\$9.49
11/16/2018	\$9.60	12/18/2018	\$9.39	1/17/2019	\$9.49
11/19/2018	\$9.53	12/19/2018	\$9.39	1/18/2019	\$9.51
11/20/2018	\$9.46	12/20/2018	\$9.39	1/22/2019	\$9.52
11/21/2018	\$9.40	12/21/2018	\$9.38	1/23/2019	\$9.53
11/23/2018	\$9.34	12/24/2018	\$9.38	1/24/2019	\$9.54
11/26/2018	\$9.30	12/26/2018	\$9.38	1/25/2019	\$9.56
11/27/2018	\$9.24	12/27/2018	\$9.39		