



**Water Gremlin Announces Advancement of Sale Process  
With Receipt of Multiple Offers to Acquire U.S. and European Divisions**

*Contemplated Sale to Best Position Businesses for the Future, Ensuring Continued Manufacturing and Distribution to Customers as Usual, With Same Focus on Sustainability*

*Commences Voluntary Chapter 11 Proceedings to Complete Value-Maximizing Transaction*

*\$10 Million Debtor-in-Possession Financing Commitment to Support Ongoing Operations During Process*

**WHITE BEAR TOWNSHIP, Minn.**, October 27, 2023 – Water Gremlin (the “Company”), a market-leading manufacturer of essential components for batteries used to power the commercial, consumer, military, and government transportation and infrastructure sectors, today announced that it is evaluating multiple compelling offers from interested parties to acquire substantially all of the assets of its U.S. and European divisions.

To complete a value-maximizing transaction in the most efficient manner, Water Gremlin and its U.S. affiliates commenced voluntary Chapter 11 proceedings in the U.S. Bankruptcy Court for the District of Delaware (the “Court”). Water Gremlin Aquila Company S.p.A., the Company’s European division based in Brescia, Italy, is not part of the proceedings.

Chapter 11 will also provide an appropriate forum for definitively resolving pending litigation related to the Company’s past use of the solvent TCE in its manufacturing process, which it voluntarily discontinued in early 2019. Since that time, Water Gremlin has brought its facilities, operations, and health and safety policies and procedures to meet all regulatory standards, including replacing TCE with its innovative, solvent-free Gremlin Green™ coating process.

Water Gremlin has obtained a commitment for \$10 million in debtor-in-possession financing from SG Credit Partners, Inc. to support ongoing manufacturing and distribution as it continues to offer customers consistent quality solutions. Subject to Court approval, this financing, together with the Company’s cash reserves, will provide ample liquidity to help the Company fulfill commitments to its valued employees, customers, and suppliers during the process.

“Since its founding nearly 75 years ago as a manufacturer of fishing sinkers, Water Gremlin has evolved into the leader in battery terminals,” said Bradley J. Hartsell, President of Water Gremlin. “We’re proud that our proprietary UV technology used in our manufacturing process is helping to revolutionize the industry by meeting the demand for high-quality battery components that are sustainably made. We have also been hard at work evaluating various options to best position our businesses for the future. After a thorough review, we determined that a sale is the most advantageous path forward for our stakeholders – and one that will help Water Gremlin achieve its full potential. During this process, we will remain focused on serving our customers with the same level of excellence and as committed as ever to our talented workforce and the White Bear community.”

The Company is filing a motion with the Court requesting approval to designate a stalking horse purchaser and to initiate a competitive bidding process under Section 363 of the Bankruptcy Code designed to achieve the highest or otherwise better offer for both divisions.

To ensure a smooth transition into Chapter 11, the Company is also filing a series of customary motions seeking to maintain business-as-usual operations and uphold its commitments to its valued stakeholders during the process. These “first day” motions, which Water Gremlin expects to be approved in short order, include a request to pay wages and provide benefits to employees in the normal course. The Company intends to pay suppliers in the ordinary course for authorized goods received and services rendered after the filing.

### **Additional Information**

Court filings and other documents related to the Chapter 11 proceedings can be found at <https://cases.stretto.com/WaterGremlin>. Suppliers with questions can call a dedicated hotline at +1 888-462-5121 (toll-free) or +1 949-681-6518 (international) or email [WaterGremlinInquiries@stretto.com](mailto:WaterGremlinInquiries@stretto.com).

Dorsey & Whitney LLP is serving as legal counsel to Water Gremlin, Intrepid Investment Bankers is serving as investment banker, and Riveron Consulting, LLC is serving as financial advisor.

### **About Water Gremlin**

Water Gremlin is the world’s technological and market leader in battery terminals. It was founded in 1949 as a manufacturer of recreational fishing products. In 1970, the Company expanded to battery terminal production. Water Gremlin uses custom engineering, design, and automation to deliver consistent quality solutions for industries like automotive, agriculture, commercial trucking, marine, telecommunications, recreation, and military and government operations.

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