



Eguana Announces 2nd Quarter 2020 Financial Results and Provides Update

CALGARY, Alberta, June 01, 2020 -- Eguana Technologies Inc. ("Eguana" or the "Company") (TSX-V: EGT, OTCQB: EGTYF) today announced results for its second fiscal quarter ended March 31, 2020.

"Through a global pandemic that impacted nearly all supply chains the team delivered the second highest revenue quarter in our Company's history," commented Justin Holland, Eguana's Chief Executive Officer. "Our supply chain and development processes were significantly challenged from COVID-19 and both excelled to keep product moving to our customers who have responded in kind with new orders in each key market."

Fiscal Q2 2020 Financial Highlights

- Record setting Year-to-Date revenue of \$4.44 million, a 143% increase versus prior year
- Fiscal Q2 2020 revenue of \$1.64 million, a 68% increase versus the prior year second quarter
- \$206,377 in quarterly gross margin from product sales and engineering services compared to \$67,770 in the second quarter of fiscal 2019
- Operating loss improved by \$789,992 to \$1,127,166, compared to fiscal Q2 2019 operating losses of \$1,917,158

Gross margin from product sales remained flat, driven primarily from COVID-19 related supply chain activities, including material rerouting and increased shipping costs along with a product mix shift to satisfy higher Enduro sales in Europe. The Company expects to see immediate improvements to gross margins as global shipping lanes return to normal and planned product cost reductions roll out in the fourth fiscal quarter.

Business Highlights

- Finalized \$5 million strategic investment with the Itochu Corporation to augment working capital to maintain growth and to further develop VPP and fleet aggregation market opportunities
- Integrated Moixa Gridshare AI with the Evolve platform and completed beta testing. US field trials set for the summer are on schedule
- \$5+ million in orders across key markets (United States/Europe/Australia), all expected to deliver within 12 months
- Continued dealer expansion in the United States and Australia
 - US dealer network increased to 130
 - US CED Greentech branch locations increased to 12, with 8 branches in California
 - Australia dealer network increased to 34
- Completed Phase 1 of our Evolve cost reduction strategy to reduce total product costs by 9%, the Evolve Hub will launch during our September quarter. Phase 2 is on track to complete within the September quarter and is anticipated to reduce total product costs by an additional 12%.

About Eguana Technologies Inc.

Based in Calgary, Alberta Canada, Eguana Technologies Inc. (EGT: TSX.V) (OTCQB: EGTYF) designs and manufactures high performance residential and commercial energy storage systems. Eguana has two decades of experience delivering grid edge power electronics for fuel cell, photovoltaic and battery applications, and delivers proven, durable, high quality solutions from its high capacity manufacturing facilities in Europe and North America.

With thousands of its proprietary energy storage inverters deployed in the European and North American markets, Eguana is one of the leading suppliers of power controls for solar self-consumption, grid services and demand charge applications at the grid edge.

To learn more, visit or follow us on Twitter [@EguanaTech](https://twitter.com/EguanaTech)

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Forward Looking Information

The reader is advised that some of the information herein may constitute forward-looking statements within the meaning assigned by National Instruments 51-102 and other relevant securities legislation. In particular, we include: statements pertaining to the value of our power controls to the energy storage market and statements concerning the use of proceeds and the Company's ability to obtain necessary approvals from the TSX Venture Exchange.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties. Many factors could cause the Company's actual results, performance or achievements, or future events or developments, to differ materially from those expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. Readers are also directed to the Risk Factors section of the Company's most recent audited Financial Statements which may be found on its website or at sedar.com. The Company does not undertake any obligation to release publicly any revisions to forward-looking information contained herein to reflect events or circumstances that occur after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.