

Eguana Announces 3rd Quarter 2020 Financial Results

CALGARY, Alberta, Aug. 24, 2020 -- Eguana ("Eguana" or the "Company") (TSX-V: EGT, OTCQB: EGTYF) today announced results for its third fiscal quarter ended June 30, 2020.

"Despite continued constraints on the global supply chains and logistical networks caused by COVID-19, the Eguana team continues to execute and delivered our second highest revenue quarter and our YTD revenues exceed any total year in the Company's history," commented Justin Holland, Eguana's Chief Executive Officer. "Our sales teams have done a tremendous job managing accounts and building our dealer network, which has resulted in a record order book inclusive of purchase orders & supply agreements, at \$21 million."

Fiscal Q3 2020 Financial Highlights

- Record setting Year-to-Date, 9-month revenue of \$6.62 million, a 154% increase versus prior year
- Q3 2020 revenue of \$2.18 million, a 181% increase versus the prior year third quarter
- \$271,667 in quarterly gross margin from product sales and engineering services compared to a negative gross margin of \$60,134 in the third quarter of fiscal 2019
- Operating loss for the nine months ended improved by \$2.0 million to \$3.39 million, compared to operating losses of \$5.49 million for the same prior year time period.

The Company realized a gross margin improvement through the third quarter of 9% from product sales from a negative 7.8% over the same time period in 2019. We expect gross margins to improve through the fourth fiscal quarter with introduction of the Evolve Hub and Evolve LFP products in US market.

Business Highlights

- Received additional \$1.8 million in purchase order releases from QCells
- Launched the Cobalt free Evolve LFP product and the Evolve Hub into the US market with first product shipments beginning September
- Reduced working capital requirements by over 50% and the cash flow cycle from approximately 120 days to 45 days
 - Completed battery procurement transition to Itochu
 - Improved payment terms with key suppliers
- Completed California grid compliance and awarded Rule 21 UL Certification for North American Evolve
 - One of three companies to complete testing and receive certification
- \$21 million order book across key markets (US/Europe/Australia), all expected to deliver within 12-18 months
- Continued dealer expansion – added 22 new dealer partners this quarter for 186 in total (US 150, Australia 36)
- Completed dealer agreements with Ozzie Solar, Sunny Energy, and Middy's, with a combined \$2.3 million in orders to be delivered over the next 12-18 months

Outlook for the Fourth Quarter

- Supply chain
 - Product availability improvements by October
 - Improved supplier terms will enable the Company to scale to meet demand
- Products and Features
 - Orders for the LFP Evolve continue to increase exceeding \$1million in the first three weeks of launch
 - Gross margin improvements expected to continue with Evolve Hub and bills of material revisions through Q4
 - Continued rapid development on QCells requested features
- Sales and Marketing
 - Completion of Itochu/Sunnova trials with Moixa AI Evolve
 - Expand California and Australian dealer networks
 - Launch new branding and interactive website

Due to the impact of transitioning its battery supply chain, and improving terms with key suppliers, Eguana is now in a position to scale its operations to meet its record demand. "Supply Chain was a key focus throughout the quarter which improves product availability in the fall time frame and significantly increases our supply chain capacities going forward," Holland added.

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](#)

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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.

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