



Eguana Announces First Quarter 2025 Financial Results

CALGARY, Alberta, (Newsfile Corp. – July 7, 2025) - **Eguana Technologies Inc.** (TSXV: EGT) (OTCQB: EGTYF) ("**Eguana**" or the "**Company**"), a leading provider of high-performance energy storage systems, announces its first quarter financial results for the three-month ended March 31, 2025.

First Quarter 2024 Summary Results

- Q1 2025 revenue of \$1,048,180 was a significant increase from the comparative quarter in March 2024. Q1 2025 revenues were indicative of Eguana's transition to the utility channel.
- Q1 2025 gross margin was approximately \$461,175, or 44%, an improvement from gross margin in the comparative quarter of March 2024. While positive sales were made in Q1 of 2024, the increase in gross margin in 2025 is primarily due to the purchase of discounted finished goods in 2024.
- Q1 2025 operating loss of \$565,450 a decrease from a \$1,526,725 operating loss for the comparative March quarter in 2024. The improvement is largely due to lower expenses in categories in the first quarter of 2025, as the Company reduced headcount, development spending and overall expenses.
- Working capital at March 31, 2025 remained in a negative position, as the total long-term debt is classified as current. The liquidity position, which continues to be impacted by slow market recovery, is closely monitored and has been reported in prior news releases.
- ITOCHU Corporation ("ITOCHU"), a strategic investor in the Company, deferred their interest payment, in cash or shares in lieu, at March 1, 2025, to support the Company's liquidity. The payment has been deferred to August 31, 2025.
- In March 2025, the Company reached a settlement agreement ("Settlement Agreement") with its US based third-party manufacturer and third-party distributor. Pursuant to the terms of the Settlement Agreement.
 - In consideration for Eguana's release of the customer's obligations, Eguana was paid a termination fee of US\$250,000 in cash.
 - Customer will transfer ownership of US\$1.1M in additional finished goods inventories.
 - Customer agrees to increase the amount of manufacturing credit available to Eguana under their previous agreements by US\$250,000 to US\$1.45M.
- The Company was under a management cease trade order ("MCTO"), from the Alberta Securities Commission for late filing the audited annual consolidated financial statements. As of this release all filings are now current and available on SEDAR+.

Business Updates for the First Quarter

- Completed secondary demand response testing across 7-day testing period for single unit and fleet aggregated systems in preparation for bidding into California Demand Response market with DERMS partner and Community Choice Aggregator.
- Continued shipments to Western Canadian utility partner in support of multiple feeder improvement projects, with a total of 2MWh shipped to date.
- The Company is in the final stages negotiating a development agreement with a Southern Alberta utility to expand and demonstrate utility-oriented functions in Eguana Edge on a single feeder. These features will enhance the stacked value Eguana is able to offer to utilities and other stakeholders versus competitive products.
- The Company's energy storage products have been accepted into Connecticut's Energy Storage Solutions program. The unique structure of Connecticut's program with the focus on performance provides an opportunity for Eguana to differentiate itself from independence-oriented energy storage products.
- Successfully completed demand response testing in Vermont, making Eguana's products eligible for acceptance into utility driven ESS leasing program to rate base.
- With Evolve's advanced IEEE 2030.5 implementation multiple developers are now using Eguana solutions to demonstrate their own IEEE 2030.5 control and telemetry capabilities to utilities, including smart meter and AMI (Advanced Metering Infrastructure) networks and AI-driven distributed computing at the grid edge.

"With growing peak load and supply chain challenges, utilities are increasingly focusing on emerging technology solutions to maintain power grid reliability, building in needed distribution and transmission capacities, and minimizing costs to customers by getting more out of the aging infrastructure we already have" commented Eguana CEO Justin Holland. "As utilities continue to see Eguana product solutions delivering the capabilities that they have always sought from distributed energy storage, along with having multiple developers utilizing our solutions for smart meter and AI driven grid edge advancements, latent opportunities continue opening for the Company across the USA and Canada in channels we are targeting."

About Eguana Technologies Inc.

Eguana's vision is to accelerate grid modernization and resilience, by delivering flexible, modular, and cost-effective alternatives to traditional grid upgrades. Our technology provides value to all key stakeholders - from the consumer, to the electricity retailer, the distribution utility, and the system operator.

Eguana Technologies connects utilities with consumers, through its high-performance commercial and residential energy storage solutions. Eguana's vertically integrated product suite has been designed from the ground up, with both the end user and the utility in mind, to transition the power grid seamlessly.

Manufactured in local facilities across the globe to ensure compliance and quality, Eguana's standardized platform allows the flexibility to ensure each product solution is optimized for use in major grid modernization markets.

To learn more, visit www.EguanaTech.com or follow us on [LinkedIn](#) and [@EguanaTech](#) on X.

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Forward Looking Statements

The reader is advised that all information herein, other than statements of historical fact, may constitute forward-looking statements and forward-looking information (together, "**forward-looking statements**") within the meaning assigned by National Instrument 51-102 - *Continuous Disclosure Obligations* and other relevant securities legislation.

Forward-looking statements are included to provide information about management's current expectations and plans that allows investors and others to have a better understanding of the Company's business plans and financial performance and condition. All statements, other than statements of historical fact included in this news release, regarding the Company's strategy, future operations, prospects, plans and objectives of management are forward-looking statements that involve risks and uncertainties. Forward-looking statements are typically identified by words such as "plan", "expect", "estimate", "intend", "anticipate", "believe", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements in this news release include, but are not limited to: that the Company will remain focused on demonstrating the value of demand response, load management and auxiliary power, and voltage and frequency control for utility companies; and, that the Company's VPP utility accelerator program, including Eguana Edge™, is expected to drive higher storage sales with stronger margins and deliver future recurring revenues.

Forward-looking statements are 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. Such factors include, but are not limited to, risks associated with: failure by the Company to improve cash flow which would have a material adverse impact on the viability of the business to continue operating; timely collection of accounts receivable; ability to raise capital in debt or equity, as needed, on appropriate terms; unanticipated effects of the reduction to headcount; effective implementation and deployment of Eguana solutions and building additional partnerships and developing existing partnerships; general economic, market and business conditions; competitive factors; achieving strategic objectives; engagement and adoption of the VPP solutions with utilities; obtaining additional revenue, recurring revenue and higher margins; inability to or delays in sourcing materials; production delays or certification delays: the Company's ability to roll out additional utility pilot programs and demonstrations or deployment; the operational effectiveness and efficiency of the products when in use by utilities; a slower adoption of energy storage technologies and other factors set out in the "Risk Factors" section of the Company's management's discussion and analysis for the year ended December 31, 2024 and annual information form dated May 1, 2023, which may be found on its website or at www.sedarplus.ca. Readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to forward-looking statements 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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