PRODUCT SAFETY RECALL



Eguana Technologies 6143 4th Street SE, Unit 3 Calgary, AB T2H 2H9 Canada

Nov 15,2021

Re: Recall of Certain LG Chem "RESU" Residential Energy Storage System Batteries

Dear Customer:

In cooperation with the U.S. Consumer Product Safety Commission and upon the recommendation from LG Energy Solutions, Eguana Technologies is voluntarily recalling components of certain Eguana Evolve residential energy storage systems, pictured below. LG Energy Solution Ltd. ("LGES") manufactured the battery modules in the affected units and has informed Eguana that the batteries can overheat, posing a risk of fire and emission of harmful smoke. Our records indicate that you purchased an affected Evolve unit.



The Evolve units were sold by Eguana to solar contractors, whom in turn sold them to homeowners as components of solar+storage systems. Eguana has **NOT** received reports of any incidents associated with Eguana products marketed and sold in the US. Nevertheless, Eguana is undertaking this voluntary action as part of its commitment to product safety and customer service.

What are the next steps?

Please contact Eguana by phone at 1-800-667-6478, ext 2, from 9 a.m. to 5 p.m. ET Monday through Friday, or by email at lgrecall@eguanatech.com. We will provide free replacement of the battery modules within your Evolve unit and there will be no cost to you. The replacement program is currently scheduled to begin in December 2021. LG is offering an extended warranty on the replacement modules which will begin the day the replacement is complete and extend to a 10 year period.

Eguana is also arranging remotely for temporary remote modifications to recalled batteries in units that are connected online, which will reduce the risk of overheating pending replacement of the product. The State of Charge will be reduced to a maximum setting of 75%. If your unit is not connected online, please call or email Eguana for further instructions.

Eguana is conducting this voluntary recall in cooperation with the U.S. Consumer Product Safety Commission, which will monitor the effectiveness of the program.

Frequently Asked Questions regarding Eguana Technologies' Recall of Certain Eguana Evolve Home Energy Storage Systems

Q1: Why does my Eguana product need a repair?

Answer: Certain Eguana Evolve Home Energy Storage Systems contain battery modules (made up of lithium-ion battery cells) manufactured by LG Energy Solution ("LGES"). LGES has notified Eguana that certain cells may be at potential risk of overheating and are included within the scope of a separate voluntary recall that LGES recently announced in cooperation with the U.S. Consumer Product Safety Commission (the "CPSC").

Eguana has not received reports of any incidents associated with Eguana products marketed and sold in the US. However, on LGES's advice, as a precaution Eguana will replace the battery modules within affected Evolve units free of charge. The voluntary recall, conducted in cooperation with the CPSC, is part of Eguana's continued commitment to ensuring product safety and providing the highest quality and service to its customers.

- **Q2:** Should I stop using my Evolve home energy storage system?
 - **A:** No action is required by customers whose batteries are connected online, because Eguana is remotely deploying modifications to impacted batteries to reduce the risk of overheating pending repair. Customers whose batteries are offline should call Eguana or their distributor/installer as soon as possible for further instructions and to schedule a technician to manually reduce the unit's state of charge.

Out of an abundance of caution, if a customer plans to leave home for an extended period of time, such as a vacation, Eguana recommends turning off the system to avoid leaving the home battery in a fully charged condition.

Q3: What if I don't want to repair the product? Can there be a fire?

A: The quality and safety of our products are of utmost importance to Eguana. Although Eguana has not received reports of any incidents associated with Eguana products marketed and sold in the US, Eguana is taking preemptive measures to ensure the safety of our customers and replacing modules that LGES has identified as potentially at risk of overheating. We advise and strongly encourage you to schedule your free repair as soon as possible.

Q4: Will the replacement modules be safe?

A: The replacement modules are LGES's newly manufactured state-of-the-art modules. LGES has informed Eguana that it continually improves its products and follows industry and fire safety standards and testing, and the new batteries incorporate state-of-the-art safety features that were designed to prevent overheating that might lead to fires and/or emission of harmful smoke.

Q5: Please explain the repair process.

A: Eguana has already started contacting the owners of affected products with instructions, but consumers, installers and distributors who would like additional information should call Eguana's recall help line: 800-667-6478 (ext. 2).

Eguana expects the repairs to begin in the first quarter of 2022 and will work to arrange a schedule that is convenient for you. However, please understand that despite the company's best efforts, there may be some delays, due to factors that are outside our control, such as the severe global shortage of semiconductors and other components of residential energy storage systems.

As stated above, if you own an "offline" battery, please contact Eguana as soon as possible to provide the company with your specific location and battery information and begin the repair process.

Q6: How long does the battery module replacement take?

A: It will differ depending on the environment, but we expect that it will not exceed half a day.

- **Q7:** How do you handle the collected battery modules?
 - **A:** Batteries will be disposed of according to applicable laws.
- **Q8:** Is compensation available in addition to product replacement?
 - **A:** Though we apologize for the inconvenience, we are repairing your current potentially affected product and installing new state-of-the-art batteries, at no additional cost. Eguana will arrange the replacement schedule with each customer to minimize customer inconvenience and bear the costs associated with the replacement. However, no other additional compensation is available.

For additional information:

Eguana Technologies at 800-667-6478 (extension 2 for technical support) from 9 a.m. to 5 p.m. ET, Monday through Friday, email at lgrecall@eguanatech.com or online at www.eguanatech.com and click on "Safety Recalls" at the bottom of the page or at: www.eguanatech.com/recalls.

We appreciate your cooperation in complying with this notice.

Sincerely,

Brent Harris Eguana Technologies