



Eguana Enters Into Short Term Financing Agreements Securing Additional Working Capital

CALGARY, Alberta, Jan. 06, 2020 -- Eguana Technologies Inc. (the "**Company**" or "**Eguana**") (TSX-V:EGT) (OTCQB:EGTYF), is pleased to announce that it has entered into two agreements to increase the Company's short term working capital amid increasing demand ahead of final transition to contract manufacturing.

First, the Company entered into an amendment dated December 31, 2019 to the loan agreement (and related loan documents) dated December 20, 2017 (the "**WTI Loan**") with an affiliate of Western Technology Investment (the "**Lender**") pursuant to which the Lender has agreed to accept reduced monthly payments comprised of interest only for four months commencing November 1, 2019 through February 1, 2020, subject to certain conditions being met to the Lender's satisfaction. The WTI Loan will continue to bear interest at a rate of 12.5% per annum and under the Loan Amendment, will be repaid February 1, 2022.

In addition to the Loan Amendment, the Company closed a short-term bridge loan financing (the "**Bridge Financing**") in the principal amount of \$280,000 with certain accredited investors, including the Company's Chief Executive Officer. The principal amount of the Bridge Financing, together with interest accrued thereon, will become due and payable on May 29, 2020 (the "**Maturity Date**"). Interest shall accrue on the principal amount at a rate of 1% per month. In the event the principal amount and interest accrued thereon is not repaid on or before the Maturity Date, the applicable interest rate would increase to 2% per month. The lenders will receive an administrative fee, paid in cash, equal to 10% of the initial principal amount of the loan.

"We have had a very positive response in California with respect to the rebate program with new orders already approaching \$1M specific to the state. The additional funds will allow the Company to execute the new orders over the next 90-120 days," stated Justin Holland, CEO of Eguana. "The amendment and bridge also provide a cushion to execute the North American and Australian inverter manufacturing transition to our contract manufacturer, which is scheduled to take place during the second fiscal quarter, and further reduce upfront working capital requirements for the Company."

As consideration for the Loan Amendment the Company has agreed to issue common share purchase warrants (the "**Warrants**") to the Lender, entitling the Lender to purchase up to an aggregate of up to 4,161,333 common shares in the capital of the Company at a price of \$0.06 per common share for a period of five (5) years from the date of issuance. The Company can accelerate the warrant expiry date to the later of i) one year from the date of issuance and ii) 30 days from the repayment date, provided that if the WTI Loan is repaid in full on or before December 31, 2020. The issuance of the Warrants remains subject to the approval of the TSX Venture Exchange and will carry a standard 4 month hold period.

The portion of the Bridge Financing advanced by the Company's Chief Executive Officer constitutes a related-party transaction under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). This transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the transaction, nor the consideration paid to the lenders of the Bridge Financing who are related parties of the Company would exceed 25% of the Company's market capitalization.

About Eguana Technologies Inc.

Based in Calgary, Alberta Canada, Eguana Technologies (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 www.EguanaTech.com or follow us on Twitter [@EguanaTech](https://twitter.com/EguanaTech)

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Forward Looking Statements

Certain information in this news release constitutes forward-looking statements and forward-looking information (collectively,

the "forward-looking statements") within the meaning of Canadian securities laws, and is subject to numerous risks, uncertainties and assumptions, many of which are beyond the Company's control. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, the Company's ability to engage and retain qualified key personnel, employees and affiliates, to obtain capital and credit and to protect its property rights.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

The forward-looking statements contained in this news release represent the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time.

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