



Eguana Announces Conversion of \$2.5 Million Debentures and 1,150 Class F LP Units Into Common Shares

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CALGARY, Alberta, Feb. 19, 2021 (GLOBE NEWSWIRE) -- Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSX.V: EGT) (OTCQB: EGTYF) announces that it has elected to exercise its right (the "**Mandatory Conversion Right**") under the convertible debenture certificates (the "**Debenture Certificates**"), which govern all of the Company's 10.0% unsecured convertible debentures issued pursuant to the completion of the Company's private placements on June 21, 2019 and August 8, 2019 (the "**Debentures**"), to convert (the "**Conversion**") all of the principal amount outstanding of the remaining Debentures on March 22, 2021 (the "**Conversion Date**") into common shares in the capital of the Company (the "**Common Shares**").

Pursuant to the terms of Debenture Certificates, the Company may force the conversion of the Debentures at a conversion price of \$0.15 per Common Share when the volume weighted average trading price ("**VWAP**") of the Common Shares listed on the TSX Venture Exchange (the "**TSXV**") for 20 consecutive trading days exceeds \$0.30.

As of close of markets February 18, 2021, the VWAP of the Common Shares listed on the TSXV exceeded \$0.30 for a period of 20 consecutive trading days. As a result of the Conversion, the estimated remaining total of approximately \$1.943 million (face value) of Debentures outstanding will be converted into approximately 12,953,339 Common Shares, and accrued interest (less any required deductions or withholdings) (the "**Accrued Interest**") will be paid by the Company in cash or through the issuance of Common Shares to the applicable holders of the Debentures.

Holders of the Debentures can voluntarily convert their Debentures in accordance with the terms of their Debenture Certificates prior to the Conversion Date. As of the date hereof, holders of \$2.284 million worth of Debentures have voluntarily converted their Debentures into Common Shares, some of which have entered into debt settlement agreements (the "**Debt Settlement Agreements**") with the Company (collectively, the "**Electing Holders**"), pursuant to which the Company will settle \$57,613 worth of Accrued Interest by issuing a total of 115,218 common shares in the capital of the Company (collectively, the "**Accrued Interest Shares**") to the Electing Holders at a deemed price of \$0.50 per share. Both the Debt Settlement Agreements and the issuance of the Accrued Interest Shares to the Electing Holders are subject to the approval of the TSXV. The Accrued Interest Shares will be subject to the statutory hold period of four months and a day from the date of issuance.

"Removing the liability associated with the convertible debentures is the first step towards strengthening our balance sheet and working capital position, and we anticipate having all debentures converted by early April" commented Eguana CEO Justin Holland. "Eliminating over 9 million of debt will put the Company in a much stronger financial position going forward as we continue to execute our business plan."

As a result of certain holders of the Debentures being directors of the Company, the foregoing 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 securities issued, nor the consideration provided therefore exceed 25% of the Company's market capitalization.

Conversion of Class F Limited Partnership Units

In addition, the Company announces that it has exercised its previously announced right to acquire all 1,150 Class F limited partnership units (the "**Units**") in EGT Markets Limited Partnership, a subsidiary of the Company, issued on November 2, 2020 in exchange for 7,665,900 common shares in the capital of Eguana (the "**LP Common Shares**"). Please see Eguana's news release dated November 2, 2020 for additional details regarding the issuance of the Units. The LP Common Shares issued in exchange for the Units are subject to resale restrictions which expire on March 3, 2021.

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 and Australia.

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 Debentures and the Conversion and the expected effects thereof; the Company's balance sheet; the Company's financial plans and position; TSXV approval of the Debt Settlement and the Outstanding Debentures. Agreements and issuance of the Accrued Interest Shares to the Electing Holders. 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 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 value of the total Debentures outstanding on the Conversion Date; the number of Common Shares issued by the Company as a result of the Conversion; the Company's balance sheet may not be strengthened and the Company may not be in a better financial position as a result of the Conversion; the Company may not convert the remaining debentures by April 2021; the TSXV may not approve the Debt Settlement Agreements and issuance of the Accrued Interest Shares to the Electing Holders; the Company may not force the conversion of the Outstanding Debentures into Common Shares and the uncertainty surrounding the spread of COVID-19 and the impact it will have on the Company's operations and economic activity in general, and the risks and uncertainties discussed in our most recent annual and quarterly reports filed with the Canadian securities regulators and available on the Company's profile on SEDAR at www.sedar.com, which risks and uncertainties are incorporated herein by reference. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events. 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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.