



## **Eguana Announces 3rd Quarter 2022 Financial Results**

Calgary, AB – (August 29, 2022) – Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSX-V: EGT, OTCQB: EGTYF) today announced results for its third quarter ended June 30, 2022.

Full energy storage system production began in June at the San Jose, California facility with product throughput and first pass yield increasing each month since. Supply chain risks have been minimized through an integrated Alternate Parts Program and strategic inventory investments. Additional capacity will be immediately added as the Company continues its focus on production output and availability.

“We knew supply side optimization and output would be critical given our projected growth rates” commented Eguana CEO Justin Holland. “We expect to see rapid uptake in the near term with more distribution branches opening and additional white label partners coming on, which will drive micro inverter and energy storage sales revenues.”

### **Fiscal Q2 2022 Financial Highlights**

- Q3 2022 product revenue of \$2.32 million, an increase of 73.5% from Q3 2021 product revenue of \$1.34 million. The increase was generated through the introduction of the micro inverters to go alongside the energy storage systems
- Q3 2022 gross margin from product sales of 0.04%, a decrease from 3.6% in Q3 2021. Gross margins were negatively impacted by a one-time inventory rationalization result from the operations and supply chain relocation to San Jose
- Q3 2022 operating loss of \$2.68 million, a slight increase from a \$2.31 million operating loss for the same period in 2021
- Positive working capital trend sitting at \$7.4 million at June 30, 2022, an increase from \$2.4 million for Fiscal 2021

### **Business Highlights and Outlook**

#### **Operations**

- Completed phase one plant commissioning, production transition, and IFT (production test and capacity) installation for turn-key manufacturing in San Jose, California
- Second IFT installation planned for September 2022, doubling nameplate production capacity to 800 units per month



- Targeting continued improvement in overall capacity utilization throughout the next two quarters with an immediate focus to achieving first pass product yields above 90%
- Improved product certification efficiency as the Company qualified under CSA's Supervised Manufacturer's Testing for Certification Program (SMTP) allowing it to conduct its own certification testing in house and submit the results for approval by CSA

### **Supply Chain**

- Strategic component inventory investments to accelerate current orders, support future growth and white label opportunities
- Initiated \$12 million inventory investment in battery modules and micro inverters to build on-shore availability, reducing port and logistics related delay
- De-risking component inventory through Eguana/Omega integrated Alternate Parts Program
- Working capital expansion to more timely match future order expectations

### **Sales, Channel Management, and Distribution**

- Consumer based premium brand marketing commenced, expected to drive growth and awareness through distribution and installer channels
- Augmented sales management senior leadership to accelerate distribution branch onboarding and installer & consumer marketing, sales management, white label and utility channel opportunities
- Branch level onboarding process improvements to increase repeat orders as well as additional white label opportunities direct and with partners in various utility channels over the next two quarters

### **Order Book and Finance**

- Total order book of \$27 million
  - Received \$2.4 million energy storage order for Hawaii VPP
  - Received +\$7 million micro inverter order for North American markets
- Negotiated \$33 million convertible debenture with ITOCHU Corporation
- Negotiated US\$5 million second draw with Western Technology Investment

Through the quarter the Company worked with long standing partners ITOCHU and Western Technology Investment to significantly increase its working capital position, culminating in two transactions totaling approximately \$40 million. The new capital will accelerate growth objectives with significant increases in inventory investment for micro inverters and battery modules required



to meet market demand. Additional production capacity equipment has been procured and will be installed in the San Jose facility in September 2022 and March 2023.

“Based on market demand, based primarily in North America and Australia, we needed to significantly increase our inventory positioning with respect to battery modules and micro inverters, the new capital has provided that opportunity” Holland continued. “We will continue increasing production capacity and output with our partners in San Jose to meet the increasing volumes.”

The Consolidated Financial Statements and the Management Discussion and Analysis thereof are available on SEDAR at [www.sedar.com](http://www.sedar.com)

### **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 [www.EguanaTech.com](http://www.EguanaTech.com) or follow us on Twitter @EguanaTech

### **Company Inquiries**

Justin Holland  
CEO, Eguana Technologies Inc.  
+1.416.728.7635  
[Justin.Holland@EguanaTech.com](mailto:Justin.Holland@EguanaTech.com)

### **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](http://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.*

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