



Eguana Announces Operational Update and 2022 Annual Results

Calgary, AB – (May 1, 2023) – Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSX-V: EGT, OTCQB: EGTYF) today announced results for its fiscal year ended December 31, 2022. Eguana notes that due to a change to the Company's year end from September 30 to December 31 an additional fifth quarter was added to the fiscal 2022 results. December 31, 2022 (Q5 2022) will be compared to December 31, 2021 (Q1 2022) for the purposes below to account for seasonality trends within the industry.

Fiscal year 2022 marked the completion of a number of significant milestones for Eguana related to demonstrating production capacity and scale, national distribution channel management, procurement and inventory management, and robust working capital.

"Increased working capital positioned Eguana to rapidly build and maintain product availability through expanding distribution channels and to invest in our supply chain to meet delivery capacity growth expectations throughout 2023" commented Eguana CEO Justin Holland. "These key accomplishments enable Eguana to expand focus on building demand and increasing sell-through within the dealer partner installation network with an ambitious training and service program that commenced late in fiscal 2022, which we continue to accelerate."

Fiscal 2022 Financial Highlights

- Record quarterly revenue in Q5 2022 of \$10.36 million, a 719% increase from \$1.26 million in the same period in the previous year and surpassing previous record annual 12 month revenue in any year.
- Gross profits of \$399,932 or 3.86% of revenue in Q5 2022 product sales compared to a gross margin of \$10,411, or 0.8%, in Q1 2022.
- Record annual revenue in fiscal 2022 of \$16.83 million, a 135% increase compared to fiscal 2021.
- Q5 2022 operating loss was \$3.05 million, an increase from a \$2.66 million operating loss for Q1 2022.
- Robust working capital of \$33.7 million at December 31, 2022.

Business Highlights and Outlook

Operations

- Met key manufacturing capacity goal of approximately 24,000 5kW equivalent systems in annualized production volume



- Relocated Eguana HQ delivering a 5x increase in development lab capacity
- Launched Eguana University, an online partner training, installation, commissioning, and dealer support site to build dealer loyalty and promote product sell-through
- Launched micro inverter line, received multiple orders totaling \$22 million
- Vertically integrated in South Australia via the Solarlab acquisition to streamline sales and consumer experience with immediate uptick in sales quotes and orders

Supply Chain

- Strategic investments into battery module, micro inverter, and key components to reduce supply chain risk related to growth objectives
- Diversified supply chain for key components to reduce reliance on China-based sourcing
- Completed software license agreement with E-Gear giving the Company full control of Eguana Cloud development and customer specific revisions

Sales, Channel Management, and Distribution

- Partnered with 5 design and system modelling software companies for installer engagement
- Added 4 additional national distribution partnerships through DPC to increase national and regional product availability to installers and consumers
- Added multiple consumer financing options for US and Australian markets
- Built North American sales teams focused on distributor channel management, dealer/installer training and loyalty to accelerate sell-through with expanded boots on the ground for sales and technical sales teams

Development

- Completed Eguana Cloud Platform integration to increase participation in virtual power plant applications, recurring and SaaS revenue models
- Designed and completed API interface to communicate with DERMS platforms for VPP applications
- Developed next generation Eguana ESS products to increase power and capacity while simplifying installation and commissioning
- Completed product certifications for 10kW Max, Eguana Hub, Australia NMC and LFP Evolves, European Enduro, and 9540A fire propagation for 5kW and 10kW Evolve
- Completed CSA and Intertek self-certification accreditation to simplify product certification processes reducing new products time to market



- Developed Alternative Parts Program to manage component risk through the Covid Pandemic

Finance

- Closed \$33 million investment with strategic partner ITOCHU
- Closed US\$10 million with lending partner Western Technology Investment (WTI)

Channel management and demand generation will be a key Eguana focus through 2023. Kitchen table sales are generally executed by installation companies, who, depending on their size and scale, will procure products through distribution or directly. The installer base drives sell through within the sales value stream using the online training and support platform Eguana has created to support both installer and distributor partners.

“In November we turned our attention to building out Eguana University, an online training and tools platform to support our distribution and installation partners, these are the boots on the ground and where we need to continue building loyalty within our product suite” added Holland. “Leading indicators can now be managed by our software metrics on user and training completion data giving the sales teams additional engagement and touch points with our partners.”

The Consolidated Financial Statements and the Management Discussion and Analysis thereof are available on SEDAR at 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 or follow us on Twitter @EguanaTech



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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. 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.

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