



## Eguana Announces \$5.0 Million Strategic Investment by ITOCHU Corporation

CALGARY, Alberta, March 02, 2020 -- Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSXV: EGT) (OTCQB:EGTYF) is pleased to announce a strategic investment by the Itochu Corporation ("**Itochu**") of \$5 million in the form of unsecured convertible debentures (the "**Debentures**") of the Company on the terms detailed below.

Itochu's investment is expected to expand on the Company's existing relationship with Itochu, which currently includes the integration of Moxia Energy Holding's AI software "Gridshare Client" with the Eguana Evolve platform to be exclusive to resale by Itochu, as previously discussed in the Company's press release dated January 20, 2020. The new product will come certified with a complete suite of virtual power plant ("**VPP**") features designed for fleet aggregation and residential applications.

"Our relationship with Itochu has remained very positive over a number of years and we are excited to welcome them as an investor and strategic partner," commented Eguana CEO Justin Holland. "This partnership will open up additional sales channels and opportunities within fleet management and VPP's globally while strengthening our battery module supply availability and cost profile."

Eguana has also confirmed the parties will enter into an amended marketing agreement as a condition of the financing. As part of the arrangement, Itochu will procure for and supply Eguana the required lithium batteries for manufacturing Eguana products.

"Itochu has a deep understanding of the entire renewables sector with diversified interests throughout the lithium battery supply chain," said Brent Harris, EVP at Eguana. "Their supply chain expertise will stabilize our battery supply chain and increase module availability in support of our growth trajectory in major markets. We are looking forward to opening new growth opportunities and expanding our supply partnerships, keeping Eguana at the leading edge of industry technology."

Use of proceeds from the financing will be allocated to fund working capital and general corporate expenditures of the Company. The financing is subject to other customary conditions and applicable regulatory approvals, including approval by the TSX Venture Exchange (the "**TSXV**"). The financing is expected to close on or around March 13, 2020.

### About Itochu

The history of ITOCHU Corporation dates back to 1858 when the Company's founder Chubei Itoh commenced linen trading operations. Since then, ITOCHU has evolved and grown over 150 years. With approximately 110 bases in 63 countries, ITOCHU, one of the leading sogo shosha, is engaging in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas.

### 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.

### About the Offering

The Debentures will mature and be repayable on the date that is three (3) years (the "**Maturity Date**") from the closing date of the financing (the "**Closing Date**"). The Debentures will have a coupon of 10% per annum, payable in cash or additional common shares in the capital of the Corporation (the "**Common Shares**"), compounded semi-annually and payable semi-annually or on such earlier date on which the Debentures are converted pursuant to their terms.

At any time prior to the Maturity Date, the principal amount, together with accrued interest in certain circumstances, of the Debentures will be convertible into units of the Company (the "**Units**") at a price of \$0.15 per Unit, with each Unit being comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire an additional Common Share at a price of \$0.20 for a period of three (3) years following the Closing Date. Assuming the full conversion of the Debentures and the Warrants issuable upon conversion of the Debentures, Itochu will acquire a 14.1% equity interest in the Company on a fully diluted basis.

Beginning on the date that is four months plus one day following the Closing Date, the Company will have the right to require the conversion of the Debentures into Units on not less than 30 days' notice to Itochu in the event that the daily volume

weighted average trading price of the Common Shares on the TSXV is greater than \$0.30, subject to adjustment, for any 20 consecutive trading days.

As a condition to the closing of the Offering, the Company and the Subscriber will enter into an investor rights agreement (the "**Investor Rights Agreement**") and an amended and restated marketing agreement. Pursuant to the Investor Rights Agreement, one year following the Closing Date the Subscriber shall have a right to subscribe for additional Common Shares at market prices up to a certain fully diluted ownership threshold of at least 20% and up to 25% (the "**Purchase Right**"), all of which as further described in the Investor Rights Agreement. The Company shall also grant to the Subscriber a board observer right, which shall become a board nomination right if the Subscriber maintains a certain percentage ownership pursuant to the Purchase Right.

Additionally, as a condition to closing of the financing, Itochu will enter into an undertaking with the TSXV to not acquire Common Shares (including through the exercise of the Warrants and the Debentures) which would result in it owning 20% or more of the Common Shares outstanding, unless the Company has obtained necessary regulatory and shareholder approval in accordance with the policies of TSXV.

Additional information can be found on SEDAR.com

### **Company Inquiries**

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### **Forward Looking Information**

*The reader is advised that some of the information herein may constitute forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning assigned by National Instrument 51-102 – Continuous Disclosure Obligations and other relevant securities legislation. In particular, we include, among other things: statements pertaining to the opportunities resulting from the partnership with Itochu, the anticipated stabilization of the Company's supply chain, the anticipated procurement and supply of lithium batteries by Itochu, the expected growth opportunities and synergies between the Company and Itochu as a result of the financing, the Company's ability to maintain innovation within its industry, the use of proceeds, the closing of the financing, the ability of the Company to comply with terms of the Debentures, including but not limited to the interest payments and payments of the principal and the Company's ability to obtain necessary approvals from the TSXV.*

*Forward-looking statements are 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. Such factors include, but are not limited to, risks associated with: closing of the financing; failure to obtain necessary regulatory or other third party consents and approvals required to complete the financing; failure to complete the financing; general economic, market and business conditions; industry capacity; the operations of Eguana's assets, competitive action by other companies, and other factors set out in the "Risk Factors" section of the Company's most recent annual management's discussion and analysis for the year ended September 30, 2019 which may be found on its website or at [sedar.com](http://sedar.com). Readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to forward-looking statements 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 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 release.*