



Eguana Announces Closing of \$5.0 Million Strategic Investment by ITOCHU Corporation

CALGARY, Alberta, March 16, 2020 -- Eguana Technologies Inc. ("Eguana" or the "Company") (TSXV: EGT) (OTCQB:EGTYF) is pleased to announce the closing of the previously announced 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.

"The Moixa GridShare AI integration and testing with our Eguana Evolve is on schedule to complete later this month and will be available for field trials in April. The new product will open additional third-party ownership (TPO) and fleet aggregation channels through our strategic partnership with Itochu," commented Justin Holland, Eguana CEO. "We will also begin transitioning the battery supply chain over to Itochu which will further reduce up front working capital requirements and bring consistency to our battery module availability as we continue to ramp up operations and clear back logged orders in Hawaii, California, and South Australia."

As previously disclosed, the use of proceeds from the financing will be allocated to fund working capital and general corporate expenditures of the Company.

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: EGYTF) 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 March 13, 2023 ("Maturity Date"). The Debentures 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 March 13, 2020 (the "Closing Date"). Assuming the full conversion of the Debentures and the Warrants issuable upon conversion of the Debentures, Itochu will acquire a 14.0% equity interest in the Company calculated on the date hereof 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 TSX Venture Exchange (the "TSXV") is greater than \$0.30, subject to adjustment, for any 20 consecutive trading days.

On closing of the financing, the Company and Itochu entered into an amended marketing agreement. As part of the arrangement, Itochu will procure for and supply Eguana the required lithium batteries for manufacturing Eguana products.

The Company and Itochu also entered into an investor rights agreement (the "Investor Rights Agreement"). Pursuant to the Investor Rights Agreement, the Company has granted to Itochu a board observer right and, subject to Itochu holding a fully diluted ownership interest of 20% or more, a board nomination right. The Company has also granted to Itochu a right, subject to certain conditions, to subscribe for additional Common Shares up to a certain fully diluted ownership threshold of at least

20% and up to 25%, all of which as further described in the Investor Rights Agreement. A copy of the Investor Rights Agreement will be available on the Company's SEDAR profile.

Itochu has entered 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

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To learn more, visit www.eguanatech.com or follow us on Twitter [@EguanaTech](https://twitter.com/EguanaTech)

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: the use of proceeds and 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.

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: 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. 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.