



Eguana Announces Early Conversion of Series A Preferred Shares and Exercise of 4,000,000 Warrants

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

CALGARY, AB, December 17, 2021 /CNW/ - Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSX.V:EGT) (OTCQB: EGTYP) announces that, effective as of December 17, 2021, DHCT II Luxembourg SARL ("**DHCT**"), the Company's largest shareholder, has elected to convert all of the Series A preferred shares (the "**Series A Shares**") it holds, being 434,860 Series A Shares, into 18,119,167 common shares (the "**Conversion Shares**") of the Company (the "**Series A Conversion**").

In respect of the accretive dividend payable on the Series A Shares, the Company has paid DHCT \$500,000 and intends to issue 1,326,986 common shares of the Company (the "**Dividend Shares**") to DHCT at a deemed price per share of \$0.45, representing yesterday's closing price of the Company's common shares, subject to the approval of the TSX Venture Exchange (the "**TSXV**"). The Dividend Shares, once issued, will be subject to a statutory hold period of four months and one day from the date of issuance.

The Company also announces that DHCT has elected to exercise 4,000,000 common share purchase warrants of the Company (the "**Warrants**") at an exercise price of \$0.20 per Warrant for gross proceeds to the Company of \$800,000 (the "**Warrant Exercise**").

As a result of DHCT's status as an insider of the Company, the issuance of the Conversion Shares constitutes, and the issuance of the Dividend Shares will constitute, 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 or to be issued, nor the consideration provided therefore exceed 25% of the Company's market capitalization, calculated in accordance with MI 61-101. The Company did not file a material change report 21 days before the closing of the Series A Conversion since details were not settled until shortly prior to closing and the Company wished to complete such transactions as soon as possible.

The Conversion Shares acquired by DHCT upon the Series A Conversion, the Dividend Shares to be acquired by DHCT upon conversion of the accretive dividend payable on the Series A Shares and the common shares acquired by DHCT upon the Warrant Exercise, total 23,446,153 common shares, representing approximately 6.0% of the presently issued and outstanding common shares.

Immediately prior to the Series A Conversion and Warrant Exercise, DHCT owned (i) 68,264,012 common shares of Eguana representing approximately 18.45% of the then issued and outstanding common shares of Eguana, (ii) 434,860 Series A Shares, representing 100% of the Series A Shares, (iii) 1 Series 8 First Preferred Share of Eguana, representing 100% of the issued and outstanding Series 8 First Preferred Shares of Eguana; and (iv) 4,000,000 Warrants.

Following the Series A Conversion and Warrant Exercise, and following the issuance of the Dividend Shares, DHCT will own (i) 91,710,165 common shares of Eguana representing approximately 23.3% of the presently issued and outstanding common shares of Eguana, and (ii) 1 Series 8 First Preferred Share of Eguana, representing 100% of the issued and outstanding Series 8 First Preferred Shares of Eguana.

DHCT acquired the Conversion Shares and will acquire the Dividend Shares as set out above, and may acquire further common shares of the Company or other securities of the Company, or dispose of its holdings of common shares of the Company or other securities of the Company, both as investment conditions warrant. This news release is being disseminated pursuant to Part 3 of National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. A copy of the early warning report that will be filed by DHCT will be available on SEDAR under Eguana's issuer profile at www.sedar.com and may also be obtained directly from DHCT, whose contact details are below.

DHCT has its head office at 46a, avenue J.F. Kennedy, Luxembourg, L-1855. For further information please contact Anna Fernoux, Tel: +352 42 71 71 -3445; Fax: +352 42 19 61.

Results of Annual General and Special Meeting

The Company is also pleased to announce the results of its annual general and special meeting held virtually on September 16, 2021 (the "**Meeting**"). At the Meeting, all matters presented by management were duly approved and authorized by the Company's shareholders, which included: (i) the number of directors of the Company being fixed at six (6); (ii) the election of all of the directors of the Company, being Michael Carten, Justin Holland, Karen Hayward, Graeme Stening, Robert Penner and George W. Powlick; (iii) the approval of the amendment to the Company's stock option plan and (iv) the appointment of KPMG LLP as auditor of the Company for the ensuing year.

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.

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)

Company Inquiries

Justin Holland
CEO, Eguana Technologies Inc.
+1.416.728.7635
Justin.Holland@EguanaTech.com

Forward Looking Information

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, TSXV approval of the Dividend Shares. 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 TSXV may not approve the issuance of the Dividend Shares, 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.