

Eguana Announces 4th Quarter 2022 Financial Results

CALGARY, Alberta, Nov. 21, 2022 -- Eguana Technologies Inc. ("**Eguana**" or the "**Company**") (TSX-V: EGT, OTCQB: EGTYP) today announced results for its fourth quarter ended September 30, 2022. Eguana notes that due to a change that will make December the Company's year end by adding a fifth quarter to fiscal 2022 results, the September results are quarterly and do not represent its full fiscal year.

Eguana doubled its energy storage and micro inverter shipments during fiscal Q4 compared to the previous quarter while continuing to scale full turnkey production in San Jose, California. Supply chain risk continues to be effectively managed through the Company's Alternative Parts program, and additional production capacity test equipment has been installed and commissioned.

"The \$40 million in financing raised at the end of August allowed us to immediately accelerate the supply of Eguana products to meet increasing demand. In addition, our supply side investments remain on schedule, creating the capacity to deliver our 2023 growth objectives" commented Eguana CEO Justin Holland. "We were very happy to see micro inverter and ESS shipments more than double in the quarter and expect to see strong growth and increasingly positive gross margins in the coming quarters."

Fiscal Q4 2022 Financial Highlights

- Q4 2022 product revenue \$2.60 million, a decrease of 16.6% from Q4 2021 product revenue of \$3.12 million. The decrease was impacted by a vessel change in the shipping port at September 30, 2022, which pushed \$1.87 million of revenue recognition into the fifth quarter
- Q4 2022 gross margin from product sales negative 9.60%, a decrease from 6.0% in Q4 2021. Gross margins were negatively impacted by inventory rationalization adjustments as well as increased logistic and import duty costs
- Q4 2022 operating loss was \$2.97 million, an increase from a \$2.01 million operating loss for the same period in 2021
- Positive working capital trend at \$41.19 million at September 30, 2022, an increase from \$2.4 million for Fiscal 2021

Business Highlights and Outlook

Operations

- Doubled energy storage system (ESS) shipments versus the quarter ending in June 30, 2022
- Doubled micro inverter shipments versus the quarter ending June 30, 2022
- Increased first pass yield (FPY) in manufacturing to +80%
- Installed second IFT (Inverter Functional Test) station in San Jose, increasing nameplate production capacity to 800 units/month across two shift operations
- Procured 2 additional IFT stations for additional manufacturing capacity to support 2023 growth plans, with installations planned through the first fiscal quarter

Supply Chain

- Micro inverters to support initial \$7 million DPC order landed or currently in transit to North America with an additional 50% increased planned procurement for the first fiscal quarter
- Procured approximately \$10 million in additional battery modules to support North American 2023 ESS growth objectives
- Commenced supply chain diversification to reduce China based component dependence

Sales, Channel Management, and Distribution

- Streamlined installer training process to accelerate sales cycle with on demand web based training for products, installation, and commission
- Increased field personnel to support customer service and distribution and installer account management
- Shipped additional 144 ESS' into Hawaii Battery Bonus Program
- Added national consumer finance package in Australia to support turnkey solar + storage sales and installation services

Development

- Increased development personnel to support Eguana cloud development, accelerated Nirvana and Trillium projects, and managed product certification requirements
- Completed UL 9540 Ed2 update / UL 1741 Ed3 update for North American certification (Intertek/CSA)
- Completed Evolve LFP AU and Evolve ESS AU certification (Primara/TUV)

The Company significantly increased its working capital position through the fourth fiscal quarter and is steadily increasing inventory and production test equipment, further de-risking its global supply chain and production capacity requirements.

“The field and technical teams, through partnership with distribution branches, have realized early success resulting in increased purchase orders and longer term visibility. The training programs are accelerating and are designed to accommodate more installers with on demand training in addition to scheduled in person seminars” Holland added. “The Company significantly increased investments in ESS and micro inverter inventory in anticipation of continued growth driven by uptake from our sales and installer training programs.”

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](https://twitter.com/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.

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.