SHARC Energy Announces Q1 2025 Financial Results

VANCOUVER, British Columbia, May 30, 2025 -- **SHARC International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC Energy" or the "Company")** is pleased to announce it has filed financial results for the three months ended March 31, 2025. All figures are in Canadian Dollars and in accordance with IFRS unless otherwise stated.

First Quarter Financial Highlights:

- Revenue for the three months ended March 31, 2025 ("**Q1 2025**") is $1.01 million (M), **representing 47% of the full year revenue in 2024** and a **30% increase** over the $0.78M of revenue reported in the three months ended March 31, 2024 ("**Q1 2024**")**.**
- As of May 30, 2025, the Company has a Sales Pipeline[1] of 16.5M and **Sales Order Backlog[2] of $3.5M.** This represents **a $0.5M increase or 18% growth in Sales Order Backlog since April 29, 2025 disclosure.** Sales Pipeline saw a marginal decrease of 1% since April 29, 2025 disclosure reflecting the deliberate efforts by the Company to refill the pipeline once projects convert to the order book. The combined pipeline showed an aggregate growth of 1% or $0.3M from the previous disclosure on April 29, 2025. **The $3.5M Sales Order Backlog, which is estimated to be converted to revenue within an average of 12 months from disclosure, represents a 64% improvement compared to the year ended December 31, 2024 revenue of $2.17M.** The Company continues to observe the maturity of its Sales Pipeline providing the Company's revenue more consistency and with reduced volatility, providing a solid platform to scale and grow.
- During Q1 2025, the Company also reported a loss of $0.92M and an Adjusted EBITDA[3] loss of $0.61M. This compares to a loss of $0.76M and an Adjusted EBITDA loss of $0.85M in the comparative quarter representing a 20% and 22% increase, respectively.
- Gross margins for Q1 2025 were 31% compared to 38% in Q1 2024. Management remains optimistic that this margin range aligns with our expectations for the coming quarters but the margin percentage varies dependent on sales mix and stage of completion of each project.

Michael Albertson, Chief Executive Officer and President of SHARC Energy, said, "We are off to a strong start to the 2025 fiscal year with the Company reporting revenue of just over $1 million which represents a 30% increase over Q1 2024 and 47% of the full year revenue earned in the 2024 fiscal year. More importantly, despite the delivery of revenue, Sales Order Backlog increased by 18% and represents a 64% improvement over 2024 revenue sitting at $3.5 million as of the reporting date. SHARC Energy's revenue growth continues to gain momentum."

Mr. Albertson continues, "We recently disclosed key District Energy System ("**DES**") projects, Lebreton Flats in Ottawa and Senakw in Vancouver, which are leveraging SHARC Wastewater Energy Transfer (WET) systems as the core component to power their thermal networks harnessing wastewater as the key renewable resource. WET supported solutions continue to grow in awareness and acceptance with the Company learning of projects in planning across North America and globally. In the Greater Vancouver, British Columbia region alone, there are several municipal or utility supported DES/Thermal Energy Networks ("**TENs**") ranging in size and scale in different stages of development that will increase SHARC Energy's local footprint over the next few years. In the United States, legislation allowing or mandating utilities to develop DES/TENs demonstration projects or pilots have been passed in eight states, including the State of New York and recently added California, where the Company has installations in progress, projects in design and a growing list of leads looking to implement Wastewater Energy Transfer with DES/TENs."

"We are continuing to progress into new sectors for the SHARC and PIRANHA with promising opportunities developing within wastewater treatment facilities, universities, water utilities, correctional facilities and the design & build/energy sectors. These sectors are increasingly receptive to SHARC Energy's offerings which is promising as these sectors can provide fewer regulatory hurdles, long-term customer relationships, shorter sales cycles, and the potential for larger-scale projects. The Company anticipates the closing of new business in these adjacent sectors as early as this year."

"Furthermore, SHARC Energy is gearing up to launch new products in its portfolio which will be introduced to the market soon. With the support of original equipment manufacturer relationships SHARC Energy has, we feel there is significant opportunity to better serve more customers and increase our revenue and margin dollars earned going forward. SHARC Energy's tailwinds are strong and set to propel the Company to profitability in the coming years. We are very excited about our position in the thermal energy market." stated Mr. Albertson.

Q1 2025 Highlights and Subsequent Events

- **Fred Andriano appointed as Chairman of the Board of Directors.** On May 5, 2025, the Company announced significant changes to its Board of Directors, appointing Fred Andriano as Chairman of the Board and Executive Officer, replacing Lynn Mueller, who will now serve as Vice Chairman and Executive Officer. Furthermore, the Company accepted the retirement and resignation of Eleanor Chiu as Director.

- **False Creek Neighbourhood Energy Utility ("NEU") Expansion.** The Company continued work on the supply and maintenance agreement with the City of Vancouver for the provision and maintenance of five SHARC systems for the False Creek NEU Expansion. During the period, the Company completed all remaining milestones of the agreement.

- **SHARC System Featured in Ottawa's Lebreton Flats District Energy Project.** The Company announced that two SHARC 880 Wastewater Energy Transfer ("**WET**") systems will be used to power a district energy system in Canada's capital city. SHARC Energy anticipates commencing submittals for the SHARC WET Systems in 2025 with equipment build and delivery expected during 2026.

- **SHARC System Powers Groundbreaking Sen̓áḵw District Energy System.** The SHARC WET system will be the core component of the Sen̓áḵw Energy System, the largest real estate development in Canadian First Nations history. The SHARC WET system was shipped to the project in Q2 2025.

For complete financial information for the three months ended March 31, 2025, please see the Condensed Consolidated Interim Financial Statements and Management Discussion and Analysis ("**MD&A**") filed on SEDAR at www.sedar.com.

About SHARC Energy

SHARC International Systems Inc. is a world leader in energy recovery from the wastewater we send down the drain every day. SHARC Energy's systems recycle thermal energy from wastewater, generating one of the most energy-efficient and economical systems for heating, cooling & hot water production for commercial, residential, and industrial buildings along with thermal energy networks, commonly referred to as "District Energy".

SHARC Energy is publicly traded in Canada (CSE: SHRC), the United States (OTCQB: INTWF) and Germany (Frankfurt: IWIA) and you can find out more on our SEDAR profile.

Learn more about SHARC Energy: Website | Investor Page | LinkedIn | YouTube | PIRANHA | SHARC

ON BEHALF OF THE BOARD

Fred Andriano
Chairman

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Forward-Looking Statements

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified using words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. SHARC Energy's actual results could differ materially from those anticipated in this forward-looking information because of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. SHARC Energy believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether because of new information, future events or otherwise, except as required by applicable securities legislation.

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[1] Sales Pipeline is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2025 MD&A.

[2] Sales Order Backlog is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2025 MD&A.

[3] Adjusted EBITDA is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2025 MD&A.