



SHARC ENERGY ANNOUNCES Q1 2026 FINANCIAL RESULTS

Vancouver – (June 1, 2026) – [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, 2026. All figures are in Canadian Dollars and in accordance with IFRS unless otherwise stated.

First Quarter Financial Highlights:

- As of June 1, 2026, the Company has a Sales Pipeline¹ of 19M and **Sales Order Backlog² of \$6.9M**. This represents a **\$3.5M net increase or 102% increase** in [Sales Order Backlog since December 1, 2025 disclosure](#) and nominal increases since the April 30, 2026 disclosure. Sales Pipeline saw a 15% increase since December 1, 2025 disclosure reflecting the deliberate efforts by the Company to refill the pipeline once projects convert to the order book and the growing Wastewater Energy Transfer ("WET") market. The combined pipeline **increased 30% or \$5.9M** since the December 1, 2025 disclosure. **The \$6.9M Sales Order Backlog, which is estimated to be converted to revenue within an average of 12 months from disclosure, represents a 127% improvement compared to the year ended December 31, 2025 revenue of \$3.0M**. The Company continues to observe the maturity of its Sales Pipeline leading to improved revenue consistency and reduced volatility, providing a strong platform to scale growth.
- Revenue for the three months ended March 31, 2026 ("Q1 2026") is \$0.49 million (M), representing 16% of the full year revenue in 2025 and a 51% decrease over the \$1.01M of revenue reported in the three months ended March 31, 2025 ("Q1 2025").
- During Q1 2026, the Company reported a loss of \$0.9M and an Adjusted EBITDA³ loss of \$0.74M. This compares to a loss of \$0.92M and an Adjusted EBITDA loss of \$0.6M in the comparative quarter representing a 1% improvement and 15% reduction, respectively.
- Gross margins for Q1 2026 were 31.5%, compared to 31.2% in Q1 2025. 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, "While quarterly revenue can fluctuate based on the timing of project milestones and equipment deliveries, our underlying business fundamentals continue to strengthen. The most important indicators of our future growth—our Sales Order Backlog and Sales Pipeline—have both reached record levels, providing us with increasing visibility into future revenue generation

Since December 2025, we have more than doubled our Sales Order Backlog to \$6.9 million while simultaneously growing our Sales Pipeline to \$19 million. This reflects the continued maturation of opportunities that we have been cultivating over the past several years and demonstrates growing market acceptance of wastewater energy transfer as a practical decarbonization solution. The fact that

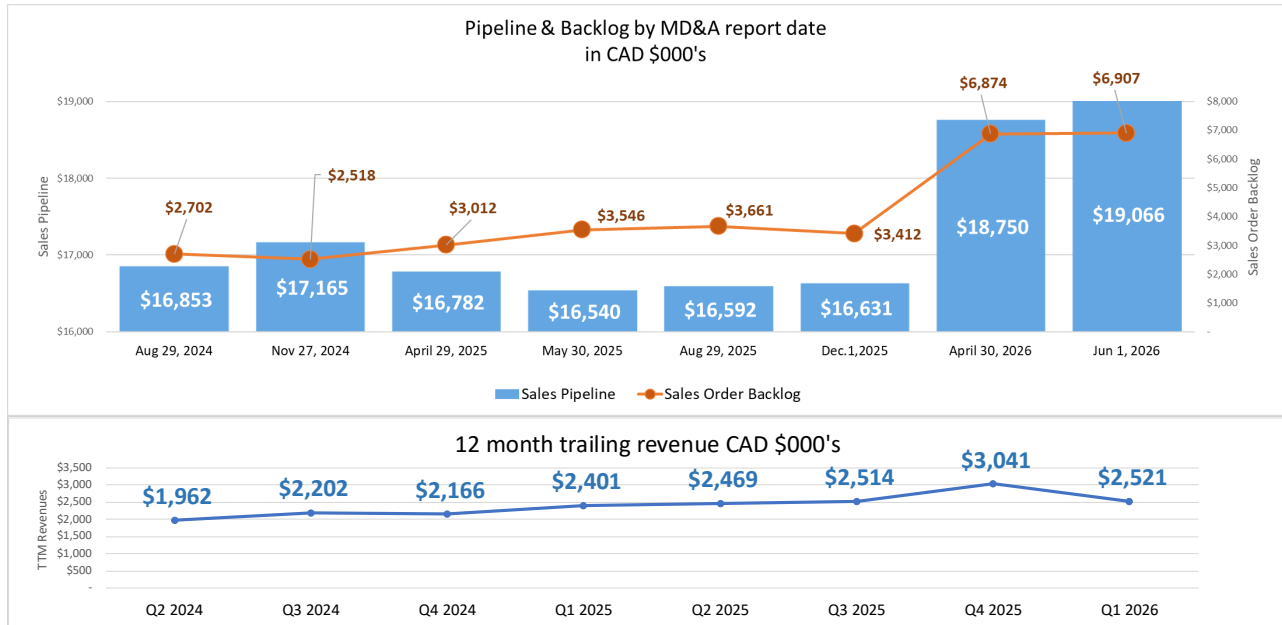
¹ Sales Pipeline is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2026 MD&A.

² Sales Order Backlog is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2026 MD&A.

³ Adjusted EBITDA is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q1 2026 MD&A.



we have been able to significantly expand our backlog while maintaining and growing the pipeline behind it is particularly encouraging, as it positions SHARC Energy for sustained growth beyond any single reporting period.”



Mr. Albertson continued, “Our backlog today represents more than twice the revenue generated during all of 2025, reinforcing our confidence in the Company’s near-term growth trajectory. We continue to see increasing engagement across both traditional district energy projects and emerging verticals, including utilities, wastewater treatment facilities, data centers, institutional campuses, and other large-scale infrastructure applications where our technology delivers compelling economic and environmental benefits.

Subsequent to quarter-end, we successfully completed a fully subscribed \$2.5 million financing, significantly strengthening our balance sheet and providing additional capital to execute on the opportunities in front of us. We are pleased with the strong support received from both existing and new investors, which we believe reflects growing confidence in our strategy, technology, and long-term growth potential.

As we move through 2026, our focus remains on converting backlog into revenue, advancing larger strategic opportunities through the sales cycle, and continuing to build shareholder value through disciplined execution. With record backlog, a growing pipeline, improving business visibility, and a strengthened capital position, we believe SHARC Energy is entering one of the most exciting periods in the Company’s history.

Looking ahead to 2026, we are entering the year with meaningful momentum. Our backlog alone represents more than double our 2025 revenue, and with an average conversion cycle of approximately 12 months, we have a clear line of sight to continued growth. Combined with a robust and expanding pipeline, entry into new vertical market sectors, development of new products & partnerships and the advancement of larger-scale opportunities, we believe SHARC Energy is well-positioned for a transformative year ahead.”



Q1 2026 Key Highlights and Subsequent Events

- **Purchase orders secured in 2026.** Since the beginning of 2026, the Company has secured approximately \$5.1M in SHARC Energy equipment orders including projects spanning a Vancouver-based district energy system, a major Westcoast U.S. airport, a Calgary, Alberta wastewater treatment plant, a retrofit of a multi-family senior housing residential development on Staten Island in New York and a Naval Postgraduate School's historic hotel in Monterey, California. This reflects both geographic and sector diversification and highlights the growing demand for SHARC Energy products.
- **PIRANHA selected by National Laboratory of the Rockies (NLR) Project.** SHARC Energy announced it has received a purchase order from the NLR for a PIRANHA HC for a program focused on advancing high-efficiency domestic hot water retrofit solutions for large institutional facilities, one of the most energy-intensive and difficult-to-modernize building systems across DoW, formerly known as Department of Defence (DoD), infrastructure. The initiative aims to validate scalable, cost-effective technologies that improve building performance, reduce operating costs, and enhance energy resilience.
- **Closing of \$2.5M Unsecured Convertible Debenture.** SHARC Energy has closed a non-brokered private placement of unsecured convertible debentures of the Company for a principal amount of \$2,500,000.
- **Commercial Launch of new product MANTA System.** The Company is pleased to announce is pleased to announce that it has secured a purchase order for its newly introduced MANTA system to be deployed at a Wastewater Treatment Plant in Calgary, Alberta.
- **SHARC Systems Shipped to US Government-Affiliated Project.** The Company announced the shipment of two SHARC 880 WET Systems to a U.S. government-affiliated project. Further information about the project will be released at a later stage.
- **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.

For complete financial information for the three months ended March 31, 2026, 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 transfer with the wastewater we send down the drain every day. SHARC Energy's systems exchange thermal energy with 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.



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