



SHARC Energy Announces Fourth Quarter and Fiscal Year 2020 Financial Results

VANCOUVER, British Columbia, April 29, 2021 (GLOBE NEWSWIRE) -- **SHARC International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC Energy" or the "Company")** announces it has filed its financial results for the fourth quarter and fiscal year ended December 31, 2020. For complete financial information for the fourth quarter and fiscal year ended December 31, 2020, please see the Audited Consolidated Financial Statements and Management Discussion and Analysis filed on SEDAR at www.sedar.com. All figures are in Canadian Dollars unless otherwise stated and in accordance with IFRS.

Fourth Quarter and Fiscal Year Highlights:

- Revenue for the three months ended December 31, 2020 ("**Q4 2020**") and year ended December 31, 2020 ("**Fiscal 2020**") was \$0.04M and \$0.63M, respectively, representing an increase of \$0.02M and \$0.49M from the three months ended December 31, 2019 ("**Q4 2019**") and year ended December 31, 2020 ("**Fiscal 2019**").
- Loss from continuing operations for Q4 2020 is \$0.95M compared to \$0.62M for Q4 2019, an increase of \$0.33M. Loss from continuing operations for Fiscal 2020 is \$2.89M compared to \$3.29M for YTD 2019, a decrease of \$0.4M.
- Adjusted EBITDA¹ Loss of \$0.55M in Q4 2020 compared to \$0.58M in Q4 2019, a decrease of \$0.03M and \$1.86M in Fiscal 2020 compared to \$2.23M in Fiscal 2019, a decrease of 0.37M.
- As of April 29, 2021, the Company has Sales Pipeline² of \$2.76M and Sales Order Backlog³ of \$1.24M.
- The Company has \$3.3M of working capital as of December 31, 2020.

Fiscal 2020 Highlights and Subsequent Events

- **\$11.13 Million (M) raised through capital markets and security exercises.** Since the beginning of 2020 to current day, the Company raised \$4.74M (gross) through the issuance of 2% convertible debt, \$4.1M through non-brokered equity and equity unit private placements and \$2.29M through the exercise of stock options and warrants.
- **Convertible Debt Settlement.** On May 29, 2020, the Company settled with all holders ("**Debenture holders**") of the Company's \$1.3M and \$1M 12% unsecured, convertible debentures which were set to mature on May 30, 2020 and June 29, 2020 (the "**Maturing Debentures**"). This resulted in a gain on debt settlement of \$0.59M.
- **Significant Growth of Representative Network.** The Company revamped its distribution network for SHARC Energy products in 2020 by adding 10 manufacturer representatives ("**Representative**" or "**Rep**") that provide the Company sales coverage across most Canadian provinces and American states. As at December 31, 2020, 75% of deals in our pipeline will be fulfilled through these Representatives.
- **Successful Incubatenergy Labs Challenge.** On October 14th, 2020, utilities, municipalities and private sector investors in the United States were shown results achieved during a three-month demonstration of the PIRANHA HC at the Electrical Power Research Institute ("**EPRI**") sponsored Incubatenergy Labs and Ameren Accelerator Demo Day. Key results of the demonstration included:
 - 61 per cent energy savings reported by building management.
 - 99 per cent GHG reduction from gas boiler use.
 - Production of 100% of the hot water at 140°F, completely offsetting the use of gas boilers.
 - An average Co-efficiency of Performance ("**COP**") for hot-water production of over 3.5 over the project term and peak COP of over 5.
- **National Western Center.** The National Western Center is pioneering the largest scale wastewater district-energy innovation in North America to date. The National Western Center will rely on two SHARC™ wastewater recovery systems placed in the heart of its 3.8-megawatt (MW) district energy system, creating a low-carbon campus that is sustainable and regenerative. The first phase of development is expected to recover the thermal energy from 3,000 gallons of wastewater that would otherwise be wasted and go down the drain every minute which will prevent 2,600 metric tons of carbon dioxide from being emitted into the atmosphere.
- **Congresswoman Marcy Kaptur visit to DC Water.** U.S. House Representative Marcy Kaptur, Chairwoman of the House Appropriations Subcommittee on Energy and Water Development, toured the U.S. capital's DC Water Headquarters ("**DC Water HQ**") on March 9, 2021. "I have never seen a technology that could have as positive of an

impact on energy as what I have seen at the DC Water HQ,” said Congresswoman Kaptur after her visit.

- **Conversion of Convertible Debt Face Value of \$2.21M.** During Fiscal 2020 and subsequently to date, the Company has converted \$2.21M of convertible debt.

“The Company has made significant progress in strengthening its balance sheet and positioning SHARC Energy for the market growth anticipated by climate action policy and regulation,” says Hanspaul Pannu, Chief Financial Officer of SHARC Energy, “We entered 2021 with \$3.3M of working capital, providing enough capital for the Company to focus and invest in growing its Sales Pipeline while continuing to advocate for the opportunities wastewater presents for low carbon and energy efficient heating and cooling.”

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.

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](#)

ON BEHALF OF THE BOARD

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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 as a result 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.

¹ Adjusted EBITDA is a Non-IFRS measure. Please see discussion and reconciliation of Alternative Performance Measures and Non-IFRS measures in the Fiscal 2020 Management Discussion and Analysis (“MD&A”).

² Sales Pipeline is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Fiscal 2020 MD&A.

³ Sales Order Backlog is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Fiscal 2020 MD&A.