



SHARC Energy Files Record Breaking Revenue and First Cash Flow Positive Quarter

VANCOUVER, British Columbia, Nov. 15, 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 third quarter and the nine months ended September 30, 2021. All figures are in Canadian Dollars unless otherwise stated and in accordance with IFRS.

Third Quarter and Year to date Highlights:

- Revenue for the three months ended September 30, 2021 ("**Q3 2021**") was \$1.42M, representing an increase of 234% or 0.99M from the three months ended September 30, 2020 ("**Q3 2020**"). This is the largest revenue quarter in the Company's history.
- Revenue for the nine months ended September 30, 2021 ("**YTD 2021**") was \$1.72M, representing an increase of 190% or \$1.13M from the nine months ended September 30, 2020 ("**YTD 2020**"). This represents the largest revenue YTD period in the Company's history.
- The Company achieved its first cash flow positive quarter in the Company's history with an Adjusted EBITDA¹ of \$0.02M in Q3 2021 which represents a 106% or \$0.37M improvement over the Q3 2020 Adjusted EBITDA loss. The Company also reported Adjusted EBITDA loss of \$1.07M in YTD 2021 compared to \$1.31M in YTD 2020, representing an improvement of 19% or \$0.24M from YTD 2020.
- As of November 15, 2021, the Company has Sales Pipeline² of \$5.25M. This represents a 39% growth from previous disclosure on August 20, 2021. Furthermore, the Company has Sales Order Backlog³ of \$1.59M, which represents a 44% decrease from previous disclosure on August 20, 2021.
- Loss for Q3 2021 and YTD 2021 was \$0.41M and \$2.27M, representing a decrease of \$0.44M from Q3 2020 and an increase of \$0.32M from YTD 2020. This increase in loss YTD 2021 compared to YTD 2020 is largely driven by a gain on settlement of debt reported in YTD 2020.
- The Company has \$2.67M of working capital as of September 30, 2021. Management anticipates it has sufficient working capital to maintain its activities for the subsequent 12 months.

¹ Adjusted EBITDA is a Non-IFRS measure. Please see discussion and reconciliation of Alternative Performance Measures and Non-IFRS measures in the Q3 2021 MD&A.

² Sales Pipeline is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q3 2021 MD&A.

³ Sales Order Backlog is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q3 2021 MD&A.

YTD 2021 Highlights and Subsequent Events

- [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 every minute, preventing 2,600 metric tons of carbon dioxide annually 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.
- [WashOut Laundry Retrofit](#). The Company completed a retrofit installation of a PIRANHA T15 into WashOut Laundry, representing the first PIRANHA retrofit approved under the [FortisBC Custom Performance Program](#). WashOut is projected to save over 2,100 gigajoules per year of natural gas, saving 105 tonnes of greenhouse gas emissions annually.
- [ELLA](#). A 45-suite multi-family residential project in Vancouver, B.C. seeking to reduce its energy costs and carbon footprint, while future proofing against rising carbon tax, has installed a PIRANHA T10 HC. The unit is estimated to save

the project 524 tonnes of CO₂ emissions reduction over its lifespan.

- **Trico LivingWell.** Calgary's newest older adult community will be installing two PIRANHA T15's in two thoughtfully-planned residences. The PIRANHA T15's will reduce up to 100% of the CO₂ emissions involved in the hot water production for the residences. These two units represent the 2nd and 3rd installation of a PIRANHA system in Alberta.
- **leam.** A 1,200 residential unit master planned development's heating and cooling needs will be met by utilizing a SHARC Energy low-carbon wastewater energy exchange system as part of a centralized energy facility. The system is expected to ship and install in Q4 2021.
- **\$2.2 Million (M) raised through capital markets and security exercises.** Since the beginning of 2021 to the date of the MD&A, the Company raised \$0.45M (gross) through non-brokered equity and equity unit private placements, \$1.43M through the exercise of stock options and warrants and 0.24M through the exercise of debenture warrants.
- **Conversion of Convertible Debt Face Value of \$1.59M.** During YTD 2021 and subsequently to date, the Company has converted \$1.59M of convertible debt.

"Q3 2021 marks a milestone quarter for the Company where we produced record quarterly and year to date revenues and our first breakeven Adjusted EBITDA quarter. Although it is anticipated that revenues and Adjusted EBITDA will fluctuate quarter over quarter, SHARC Energy's Sales Order Backlog and Sales Order Pipeline continues to grow and has officially started turning over and hitting our Profit and Loss Statement with greater consistency. This is expected to continue into future quarters," says Hanspaul Pannu, Chief Financial Officer of SHARC Energy.

"Our balance sheet remains healthy. Most of our diluted capital remains in the money, which provides opportunity for the improvement of working capital through capital injection or extinguishment of convertible debt. The Company is well-positioned to continue to grow its Sales Pipeline and its investment into Sales and Marketing while reviewing and applying for opportunities for private and public scale-up funding," states Mr. Pannu.

"We have been working on a number of projects and strategic relationships during COVID-19 to present day and we feel confident the best is still to come. SHARC Energy is forging into the future with reliable solutions that will help world leaders achieve their climate action plans and address key objectives for a greener future. Our products not only help eliminate carbon emissions from space heating and hot water production, but also save fresh water used in cooling towers and helps reduce the ambient temperature of wastewater prior to discharge into Earth's bodies of water," says Lynn Mueller, Chief Executive Officer of SHARC Energy. "The world is becoming aware of the power of wastewater with each project using SHARC Energy technology and we standby ready to help the world achieve its climate action goals!"

For complete financial information for the third quarter and the nine months ended September 30, 2021, please see the 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.

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

[Lynn Mueller](#)

Chairman and Chief Executive Officer

For investor inquiries, please contact:

[Hanspaul Pannu](#)

Chief Financial Officer

SHARC Energy

Telephone: (604) 475-7710 ext. 4

Email: hanspaul.pannu@sharcenergy.com

For media inquiries, please contact:

[Mike Tanyi](#)

Director of Marketing and IT

SHARC Energy

Telephone: (604) 475-7710 ext.109

Email: mike.tanyi@sharcenergy.com

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