



## SHARC Energy Continues Pipeline Growth in Q2 2022

VANCOUVER, British Columbia, Aug. 29, 2022 -- **SHARC International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC Energy" or the "Company")** announces it has filed financial results for the second quarter ended June 30, 2022. All figures are in Canadian Dollars unless otherwise stated and in accordance with IFRS.

### Second Quarter and Year to Date Financial Highlights:

- As of August 29, 2022, the Company has a Sales Pipeline<sup>1</sup> of \$9.8M. This represents a **27% growth** from previous disclosure on April 18<sup>th</sup>, 2022. The aggregate Sales Pipeline and Sales Order Backlog<sup>2</sup> ("**Design Pipeline**") **increased by 26%** from the previous disclosure indicating continued growth of the Wastewater Energy Transfer ("**WET**") industry.
- Revenue for the three months ended June 30, 2022 ("**Q2 2022**") is **\$0.17M**, representing **an increase of 56% or 0.60M** from the three months ended June 30, 2021 ("**Q2 2021**"). During the six months ended June 30, 2022 ("**YTD 2022**"), the Company reported revenues of \$1.05M, an increase of 254% over the six months ended June 30, 2021 of \$0.3M ("**YTD 2021**").
- The Company reported an Adjusted EBITDA<sup>3</sup> loss of \$0.83M and \$1.35M in Q2 2022 and YTD 2022 which represents a 43% and 24% increase, respectively, over the comparative periods. This increase is due to growing investment into headcount within Sales, Marketing, Operations and advertising and promotion spend.
- Loss for Q2 2022 and YTD 2022 is \$1.24M and \$2.08M, representing an increase of \$0.23M and \$0.22M from Q2 2021. This increase in loss is driven by increased headcount, travel, advertising & promotion expense offset by an increase in gross margin and reduction in interest and financing expense compared to the comparative periods.

"We are excited by the continued growth of our Design Pipeline. As the growth accelerates across our key markets, driven by a myriad of reasons —rising natural gas prices, changing building codes, and environmental & regulatory policy to name a few; we are well-positioned to accelerate and scale the commercial platform we have created for our WET products," says Hanspaul Pannu, **Chief Financial Officer of SHARC Energy**. "We are anticipating the maturation and turnover of our Design Pipeline over the next 24 months."

"The potential of the Wastewater Energy Transfer industry is limitless. The feedback we get from industry stakeholders is humbling and keeps us aware of what is yet to come. We will continue to partner and develop key relationships that will be accretive to the long-term outlook for SHARC Energy," says **Lynn Mueller, Chief Executive Officer of SHARC Energy**. "The signs are clear. SHARC Energy is a pioneer and a strong long-position in the growing clean tech space."

### Year to Date 2022 Highlights and Subsequent Events

- **Partnership with Salas O'Brien.** The Company has entered into an agreement with [Salas O'Brien](#), an employee-owned engineering firm with 55 offices, 1,600+ team members and more than 360 registered professionals. Together, the companies intend to establish and cultivate a collaborative and strategic relationship that will support the market with turnkey solutions tailored to carbon reduction and energy efficiency goals. SHARC Energy anticipates that this relationship will help accelerate the growth of the WET industry and accordingly, generate accretive pipeline growth of SHARC Energy WET products.
- **Sustainable Living Innovations ("SLI").** SHARC Energy's PIRANHA and PIRANHA HC T5, T10 and T15 WET Systems has been selected by SLI for six new projects in design or under construction. The Company has received a purchase order from California-Columbia Hydronics Corporation ("**CHC**") for the first of six projects, which is a PIRANHA T5 HC for SLI's new project in Seattle at 8601 Aurora Avenue. The remaining five projects currently in the design phase are anticipated to use a mix of 7 PIRANHA and PIRANHA HC T10 and T15's for the various project's heating and cooling needs and have expected shipment dates in 2023.
- **Seattle SHARC WET System.** SHARC Energy has received a purchase order from CHC for a SHARC WET system that will be installed in the heart of Seattle, a few minutes from the Space Needle, marking the first SHARC WET system showcasing the power of wastewater in the heart of the Pacific Northwest USA.
- **PIRANHAs in Canada's Capital.** HTS Ontario, a representative of SHARC Energy products, have been selected to supply two PIRANHA T15 WET systems to be installed in Ottawa. This deal is a key milestone as it marks the beginning of HTS's growing SHARC Energy pipeline turning over and it validates the Company's strategy to support and leverage its representative network to help grow awareness and sales for its products in key markets.
- **National Western Center.** The National Western Center in Denver, Colorado, is pioneering the largest scale wastewater district-energy innovation operating 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. The project commissioned in Q1 2022.

- [Ileém](#). A Vancouver, B.C. 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 installation and commissioning completed in Q1 2022.

For complete financial information for the three and six months ended June 30, 2022, please see the Condensed Consolidated Interim Financial Statements and Management Discussion and Analysis ("MD&A") filed on SEDAR at [www.sedar.com](http://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](mailto:hanspaul.pannu@sharcenergy.com)

### For media inquiries, please contact:

Kamran Shaikh

Account Director

PR Associates

Telephone: 778-846-5406

Email: [kshaikh@prassociates.com](mailto:kshaikh@prassociates.com)

*The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.*

## 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.*

---

<sup>1</sup> Sales Pipeline is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q2 2022 MD&A.

<sup>2</sup> Sales Order Backlog is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q2 2022 MD&A.

<sup>3</sup> Adjusted EBITDA is a Non-IFRS measure. Please see discussion and reconciliation of Alternative Performance Measures and Non-IFRS measures in the Q2 2022 MD&A.