



## SHARC Energy Announces Q2 2024 Financial Results

VANCOUVER, British Columbia, Aug. 29, 2024 -- [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 and six months ended June 30, 2024. All figures are in Canadian Dollars and in accordance with IFRS unless otherwise stated.

Second Quarter and Year to Date (YTD) Financial Highlights:

- Revenue for the six months ended June 30, 2024 ("YTD 2024") is \$1.56M representing **98% of the full year revenue in 2023**. Revenue slightly increased quarter over quarter from the three months ended March 31, 2024, of \$0.778M to \$0.78M during the three months ended June 30, 2024 ("Q2 2024").
- As of August 29, 2024, the Company has a Sales Pipeline<sup>1</sup> of 16.9 million (M) and Sales Order Backlog<sup>2</sup> of \$2.7M. Sales Pipeline saw a slight decrease of 1% or \$0.15M while **Sales Order Backlog improved by 16%** since the Company's [May 16, 2024 disclosure](#) despite drawing down **Sales Order Backlog by \$0.78M**. The Company continues to observe that the maturity of its Sales Pipeline will result in a transformative year for SHARC Energy and that future revenue to be recognized is growing.
- Revenue for Q2 2024 is \$0.78M, which is a **72% increase** from the three months ended June 30, 2023 ("Q2 2023"). YTD 2024 revenue is \$1.56M which **represents a 31% increase** from the six months ended June 30, 2023 ("YTD 2023").
- Gross margins for Q2 2024 and YTD 2024 were 41% and 40%, respectively, demonstrating the Company's resilience despite a decrease from the impressive 49% and 45% reported in Q2 2023 and YTD 2023, respectively. Management remains optimistic that these margins align well with our expectations for the coming quarters.

Michael Albertson, President of SHARC Energy US, said, "The second quarter of 2024 continued to validate that SHARC Energy's pipeline has reached a key maturity milestone as Sales Order Backlog grew from its previous disclosure on May 16, 2024, despite recognizing quarter over quarter revenue growth in Q2 2024 compared to Q1 2024. Sales Order Backlog currently contains 10 projects which are the most projects under order at any period in the Company's history indicating the Company's future revenue to be recognized is not only growing but diversifying. Although it isn't definitive that the volatility of SHARC's maturing and growing pipeline is behind us, there are several projects indicating signs of conversion from Sales Pipeline to Sales Order Backlog which should affirm continued stability and growth of revenue in the near and long term. "

"TEN solutions for decarbonization of thermal energy loads continue to grow in awareness and acceptance in North America with SHARC learning of projects being planned across the continent. In the Greater Vancouver, British Columbia region alone, there are several municipal or utility supported TENs ranging in size and scale, similar to the [False Creek Neighborhood Energy Utility](#) or [lelem'](#) projects, 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 thermal energy network demonstration projects or pilots have been passed in seven states including the State of New York, where the Company has installations in progress, projects in design and a growing list of leads looking to implement WET TENs," added Mr. Albertson.

Q2 2024 Highlights and Subsequent Events

- [Closing of \\$2 Million 8.0% Debenture financing](#). The Company closed a non-brokered private placement of debenture units of the Company ("Debenture units") at a price of \$1,000 per Debenture Unit, for gross proceeds of \$2,000,000. Each Debenture Unit will be comprised of: (i) a \$1,000 principal amount of 8.0% unsecured debenture of the Company (the "Debenture"); and (ii) 5,000 common share purchase warrants of the Company (the "Warrants"). Each Warrant will entitle the holder thereof to acquire one common share in the capital of the Company (each, a "Share") at an exercise price of \$0.20 per Share for a period of 36 months from the date of issuance.
- [PIRANHA's reach expands into California](#). The Company received a purchase order for four (4) PIRANHA T15 WET systems for a 26-storey mixed-use development in Berkeley, California. This project marks the largest individual PIRANHA project in the Company's history to date and marks the continued expansion of the Company into California. These units are expected to ship in 2024.
- [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 and billed milestone 3 of 5 of the agreement, where all components have been delivered to site. The project is expected to be completed before the end of 2024.
- [Purchase order received for Whitney Young retrofit featured in NYSERDA Empire Building Challenge](#). The Company received a purchase order for a SHARC 660 WET system for the Whitney Young Manor recapitalization project in Yonkers, New York. The Whitney Young Manor will undergo a \$22 million renovation, with nearly \$12 million allocated to the project's decarbonization effort, inclusive of all energy efficiency measures. The retrofit project will highlight how to leverage a recapitalization opportunity to comprehensively retrofit energy systems and modernize an affordable housing complex. The system shipped in Q1 2024.
- [Purchase Order received for Phase 1 of transformative \\$1.2B development to create 2,400 affordable homes, a medical clinic, and retail in Brooklyn, New York](#). The Company received a purchase order for a SHARC 660

WET system to be included in the first phase of a transformative \$1.2 billion redevelopment in Brooklyn's East New York neighborhood led by Apex Building Company, L+M Development Partners, RiseBoro Community Partnership, and Services for the Underserved. The system shipped Q1 2024.

- [PIRANHA receives unanimous approval from Massachusetts Plumbing and Gas Fitting Board](#). The Company received unanimous approval from the Massachusetts Board of State Examiners of Plumbers and Gas Fitters for ten PIRANHA pilot sites in the State. The Company is currently collaborating with a real estate investment trust on a PIRANHA retrofit project, leveraging a 50% cost share from Eversource Energy for a PIRANHA feasibility study under the Massachusetts Save Technical Assistance Program.

For complete financial information for the three and six months ended June 30, 2024, 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](#) | [SHARC](#)

## ON BEHALF OF THE BOARD

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## Forward-Looking Statements

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<sup>1</sup> Sales Pipeline is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q2 2024 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 2024 MD&A.