



SHARC Energy Announces Q3 2024 Financial Results

VANCOUVER, British Columbia, Nov. 27, 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 nine months ended September 30, 2024. All figures are in Canadian Dollars and in accordance with IFRS unless otherwise stated.

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

- Revenue for the nine months ended September 30, 2024 ("YTD 2024") is \$2.34M representing **147% of the full year revenue in 2023**. Revenue slightly increased quarter over quarter from the three months ended June 30, 2024, of \$0.78M to \$0.79M during the three months ended September 30, 2024 ("Q3 2024").
- Revenue for Q3 2024 is \$0.79M, which is a **44% increase** from the three months ended September 30, 2023 ("Q3 2023"). YTD 2024 revenue is \$2.34M which **represents a 35% increase** from the nine months ended September 30, 2023 (YTD 2023").
- Gross margins for Q3 2024 and YTD 2024 were lower at 32% and 37%, versus 40% and 42% reported in Q3 2023 and YTD 2023, respectively, due to sales mix. Management remains optimistic that this margin range aligns with our expectations for the coming quarters.
- As of November 27, 2024, the Company has a Sales Pipeline¹ of 17.1 million (M) and Sales Order Backlog² of \$2.5M. Sales Pipeline saw a slight increase of 2% or \$0.3M while **Sales Order Backlog slightly decreased by 7% or \$0.2M** since the Company's [August 29, 2024 disclosure](#) despite drawing down **Sales Order Backlog by \$0.79M**. The Company continues to observe the maturity of its Sales Pipeline providing the Company's revenue more consistency with reduced revenue volatility, providing a solid platform to scale and grow.

Michael Albertson, President of SHARC Energy US, said, "The third quarter of 2024 continued to validate SHARC Energy's pipeline has reached a key maturity milestone as Sales Order Backlog grew from its previous disclosure on August 29, 2024, despite recognizing quarter over quarter revenue growth in Q3 2024 compared to Q2 2024. Sales Order Backlog currently contains 10 projects, consistent with Q2 2024, representing the greatest number of projects under order at any period in the Company's history. We see this as a strong indication that the Company's future revenue is not only growing but diversifying. 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."

"Thermal Energy Networks, commonly referred to as TENs or district energy, is a growing solution for managing small to large scale thermal energy loads efficiently and cost-effectively. WET supported solutions continue to grow in awareness and acceptance with the Company learning of projects in planning across North America and globally. 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 [lelørn](#) 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 eight states, including the State of New York and recently added California, where the Company has installations in progress, projects in design and a growing list of leads looking to implement WET TENs," added Mr. Albertson.

Q3 2024 Highlights and Subsequent Events

- [Fred Andriano appointed to the Board of Directors](#). The Company announced the appointment of Fred Andriano to its Board of Directors on November 7, 2024. Mr Andriano was previously CFO at WaterFurnace International, where his leadership was critical in strategic acquisitions, international joint ventures and impressive growth, with revenues doubling from \$65M to \$130M culminating in a \$364M acquisition by NIBE Group in 2014. He continued as CFO and eventually moving to Vice President of Financial and Administrative Services for NIBE North America. During this time, Mr. Andriano played a pivotal role in securing major acquisitions, such as Enertech and The Climate Control Group, expanding NIBE's footprint in the renewable energy space.
- [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.
- [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 NYSEDA 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.
- Insiders, including management and directors, have purchased 4,632,500 common shares of the Company year to date. Insider ownership represents 16% of the current outstanding float.

For complete financial information for the three and nine months ended September 30, 2024, 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 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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¹ Sales Pipeline is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q3 2024 MD&A.

² Sales Order Backlog is a non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q3 2024 MD&A.