



SHARC wins “Incubatenergy[®] Lab Challenge” by EPRI

VANCOUVER, British Columbia, May 21st, 2020 -- SHARC International Systems Inc. (CSE:SHRC) (FSE:IWIA) (OTCQB:INTWF) (the “Company” or “SHARC”) is pleased to announce that it has won the opportunity to collaborate on a pilot project funded by the [Electric Power Research Institute](#) (“EPRI”) after presenting at the [Incubatenergy[®] Labs Challenge](#). After being selected as 1 of 17 finalists from a pool of over 130 applicants, SHARC made a virtual pitch on April 7th. The Company has now been selected as 1 of 10 companies to demonstrate innovative power delivery and use technologies under the leadership of EPRI, Ameren Corporation, Tennessee Valley Authority and Southern California Edison. Nine additional utilities will participate in the projects to provide industry perspective and guidance.

Incubatenergy Labs is a project created by EPRI that connects early-stage businesses focused on electrification and decarbonization with utilities and industry stakeholders. By combining introductions at EPRI sponsored summit with collaborative paid demonstration projects, EPRI links leading start-ups with utilities that have the capacity to further these innovative technologies.

Through our innovative wastewater heat recovery systems, SHARC has earned a paid demonstration supported by Incubatenergy Labs. The project will commence on June 1st and SHARC will work with EPRI and participating American utilities to install a PIRANHA™ HC. The results will be presented at the Incubatenergy Labs “Demo Day” currently scheduled for October 14, 2020 in St Louis, Missouri and hosted by Ameren Corporation.

The PIRANHA HC simultaneously provides air conditioning and hot water heating. This feature effectively doubles the efficiency of the unit by providing two significant functions for a building utilizing recycled energy from waste water that would otherwise be lost down the drain. During SHARC performed preliminary testing, the unit achieved a Co-Efficiency of Performance (“COP”) of more than 5 or 500% in a base case scenario. This paid demonstration project marks the first installation of a PIRANHA HC unit and the Company is energized with this significant milestone.

“We are very excited about the collaborative approach that EPRI takes in its execution of the Incubatenergy Labs program,” says Lynn Mueller, CEO of SHARC International. “The nature of the project and the demonstration will not only allow for the increased mobilization of SHARC technology by connecting us with leading utilities but also provide increased exposure and acceptance of our product as a key solution in achieving greenhouse gas reduction goals while providing superior electrical usage efficiency”.

The Incubatenergy Network is comprised of leading clean energy accelerators that support more than 500 early-stage companies working on revolutionizing electrification. Their goal is coordinating incubators and accelerators with startups that are looking to scale suitable technologies. In their 5th [Best Practices Report](#), EPRI goes into detail about some of the accelerators and incubators that work through the Incubatenergy Network. [Clean Energy Trust](#) (“CET”) is an example of an accelerator that reported investing \$3.8 million in 23 portfolio companies from 2014 to 2018 and has supported 103 startups overall. These startups then went on to raise over \$125 million in follow-on funding. This network will help SHARC continue to grow and work towards its goal of being a foundational piece of technology in the development of climate policy aimed to reduce greenhouse gas (GHG) emissions.

“Each innovation has the potential to provide significant value to energy customers and the grid,” said Erik Steeb, who leads the Incubatenergy Network and Labs program for EPRI. “By collaborating across the group of utilities, we can quickly demonstrate and understand how these solutions may enable effective energy management, enhance system quality, reliability, efficiency and support decarbonization.”



[The Electrification 2020 International Conference and Exposition](#) that was originally set for April 6 – 9 in Charlotte, North Carolina is now postponed until early 2021 due to the latest information on coronavirus (COVID-19). SHARC intends to be in attendance to collaborate with other companies in electrification and important stakeholders. This will further our exposure and contacts in the industry.

American Electric Power (“**AEP**”), Con Edison, Edison International, Enel, Nebraska Public Power District, New York Power Authority, Portland General Electric (“**PGE**”), Salt River Project and Xcel Energy are the other participating utilities.

About EPRI

The Electric Power Research Institute, Inc. (www.epri.com) conducts research and development relating to the generation, delivery and use of electricity for the benefit of the public. An independent, non-profit organization, EPRI brings together its scientists and engineers as well as experts from academia and industry to help address challenges in electricity, including reliability, efficiency, affordability, health, safety and the environment. EPRI members represent 90% of the electricity generated and delivered in the United States with international participation extending to 40 countries. EPRI’s principal offices and laboratories are located in Palo Alto, Calif.; Charlotte, N.C.; Knoxville, Tenn.; Dallas, Texas; Lenox, Mass.; and Washington, D.C.

Amendment of Debenture Terms

The Company has amended the terms of the December 20, 2022 maturing (the “**Maturity Date**”) 8% Convertible Debenture with an aggregate face value of \$1,030,000 (the “**Debenture**”).

Originally, the Debentures were convertible at the option of the holder into common shares of the Company (the “**Common Shares**”) at any time after December 20, 2020 and prior 5:00 p.m. (Pacific time) on the last business day prior to the Maturity Date at a conversion price of \$0.10 per Common Share (the “**Conversion Price**”). If after December 20, 2020 the closing price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) is \$0.40 or greater for 20 consecutive trading days, the Company may, at its option, convert the Debentures (including any accrued and unpaid interest) into Common Shares at the Conversion Price by disseminating a press release, in which case the Debentures shall be converted into Common Shares on the second business day after dissemination of such press release.

The Company has amended the terms to allow for the Debentures to be convertible at the option of the holder into Common Shares at any time after May 21, 2020 and before 5:00pm (Pacific time) on the last business day prior to the Maturity Date at the Conversion Price. If after May 21, 2020 the closing price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) is \$0.40 or greater for 20 consecutive trading days, the Company may, at its option, convert the Debentures (including any accrued and unpaid interest) into Common Shares at the Conversion Price by disseminating a press release, in which case the Debentures shall be converted into Common Shares on the second business day after dissemination of such press release.

Debt Settlement

The Company issued 45,455 common shares at a deemed price of \$0.165 for the settlement of outstanding debt.

About SHARC International Systems

SHARC International Systems Inc. is a world leader in thermal heat recovery. SHARC systems recycle thermal energy from wastewater, generating one of the most energy efficient and economical systems for heating, cooling & hot water preheating for commercial, residential and industrial buildings. SHARC is



publicly traded in Canada ([CSE: SHRC](#)), the United States ([OTCQB: INTWF](#)) and Germany ([Frankfurt: IWIA](#)).

Further information about the Company is available on our website at www.SHARCEnergy.com or SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD

"Lynn Mueller"

Chairman and Chief Executive Officer

For further information, please contact:

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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 by the use of 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'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 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 as a result of new information, future events or otherwise, except as required by applicable securities legislation.