



SHARC Energy Reports on Q3 2020

Vancouver – (November 30, 2020) – SHARC International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC Energy" or the "Company") has filed its financial results for the third quarter ended September 30, 2020 on www.sedar.com. All figures are in CDN unless otherwise noted.

Third Quarter and Year to date Financial Highlights:

- Revenue for the three months ended September 30, 2020 ("Q3 2020") and the nine months ended September 30, 2020 ("YTD 2020") was \$0.426M and \$0.594M, respectively, representing an increase of \$0.348M and \$0.470M from the three months ended September 30, 2019 ("Q3 2019") and nine months ended September 30, 2019 ("YTD 2019"). This represented the largest revenue quarter for the Company in the past 8 most recent quarters and its largest since the quarter ended March 31, 2018.
- Loss from continuing operations for Q3 2020 is \$1.042M compared to \$0.907M for Q3 2019, an increase of \$0.135M. Loss from continuing operations for YTD 2020 is \$1.948M compared to \$2.679M for YTD 2019, a decrease of \$0.731M.
- Adjusted EBITDA¹ Loss of \$0.422M in Q3 2020 compared to \$0.482M in Q2 2019 and \$1.312M YTD 2020 compared to \$1.652M YTD 2019.
- As of November 30, 2020, the Company has Sales Pipeline² of \$3.9M and Sales Order Backlog³ of \$0.161M.
- The Company has \$0.913M of working capital as of September 30, 2020.

Q3 2020 Accomplishments

- During Q3 2020, the Company delivered 2 PIRANHA units, representing the [first PIRANHA shipment to the US](#) and 2nd to Australia which is the [1st unit to be installed in a senior's living facility](#). The Company also delivered and installed wastewater holding tanks to a site for a district energy project expected to commence and be fulfilled in 2021.
- [On July 16, 2020](#), the Company hired Matt Engelhardt as its Chief Operating Officer.
- On July 29, 2020, the Company announced it has accelerated the expiry of 2,972,404 common share purchase warrants with an exercise price of \$0.10. These warrants have been exercised in full and additional warrants have been exercised providing proceeds of \$0.315M.
- [On September 15, King County Council unanimously approved legislation](#) allowing three wastewater heat recovery projects. SHARC Energy participated in the opportunity that King County provided for public consultation with regards to the development of the template contract that could be used for agreements with private parties (users) for sewer heat recovery. This is significant development for the industry of wastewater energy recovery in North America.
- During Q3 2020, the Company saw the conversion of \$580,000 of convertible debt into 5.8M common shares.

¹ Adjusted EBITDA is a Non-IFRS measure. Please see discussion and reconciliation of Alternative Performance Measures and Non-IFRS measures in the Q3 2020 Management Discussion and Analysis ("MD&A").

² Sales Pipeline is a Non-IFRS measure. Please see discussion of Alternative Performance Measures and Non-IFRS Measures in the Q3 2020 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 2020 MD&A.



Subsequent Accomplishments

- [On October 14th, 2020](#), utilities, municipalities and private sector investors in the United States were shown results achieved during a three-month demonstration of a unique wastewater thermal recovery technology PIRANHA HC at the EPRI sponsored [Incubatenergy Labs and Ameren Accelerator Demo Day](#). Key results of the demonstration included:
 - 61 per cent energy savings reported by building management.
 - 99 per cent GHG reduction from gas boiler use.
 - Production of 100% of the hot water at 140°F, completely offsetting the use of gas boilers.
 - An average Co-efficiency of Performance (“**COP**”) for hot-water production of over 3.5 over the project term and peak COP of over 5.
 - Reduction of thermal water pollution. PIRANHA HC removes the heat from wastewater, so that it reduces impact on ambient water temperature in rivers, lakes, and oceans when it is released.
- SHARC Energy has been selected to participate in two programs through Global Affairs Canada Trade Commissioners Service. The Company will be participating in the [Canadian Technology Accelerator](#) focused on promoting Canadian Cleantech companies in Southeast Asia and more specifically, the ASEAN region. The Company is also participating in a B2B matchmaking [Virtual Trade Mission](#) for Canadian Water and Wastewater companies and Brazilian companies and organization in the public and private sector.

“Q3 2020 is the largest revenue quarter we have had in over two years and saw a number of promising developments for wastewater energy recovery and SHARC Energy,” says Hanspaul Pannu, Chief Financial Officer of SHARC Energy, “The Company is encouraged by the results and feedback from the EPRI demonstration and the relationships created. As the Company continues to bring awareness to the PIRANHA as a key player in the energy retrofit market, it will look to leverage these relationships created to penetrate the market. We are focused on driving growth through additions to sales pipeline and sales order backlog generation and that is where the focus lies for the remainder of 2020 and moving forward.”

About SHARC Energy

SHARC International Systems Inc. is a world leader in wastewater energy recovery. SHARC systems recycle thermal energy from wastewater, generating one of the most energy efficient and economical systems for heating, cooling and hot water production for commercial, residential and industrial buildings, reducing their energy costs and carbon footprint. SHARC Energy 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



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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 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.