

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: 10% Unsecured Convertible Debentures
Common Shares Purchase Warrants

Issuer: Eguana Technologies Inc. (the “**Company**”)
Unit 3 – 6143 4th Street SE
Calgary, Alberta
T2H 2H9

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

N/A

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

DHCT II Luxembourg S.à.r.l. (the “**Acquiror**”)
46a, avenue J.F. Kennedy,
Luxembourg, L-1855

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On August 8, 2019, the Acquiror acquired ownership of (i) \$1.2 million principal amount of unsecured debentures of the Company convertible at the option of the Acquiror (the “**Debentures**”) into 8,000,000 common shares of the Company (the “**Common Shares**”), representing approximately 3.53% of the presently issued and outstanding Common Shares and (ii) 4,000,000 Common Shares purchase warrants (the “**Warrants**”) entitling the Acquiror to subscribe to 4,000,000 Common Shares at a price of \$0.20 per Common Share, representing approximately 1.76% of the presently issued and outstanding Common Shares.

The Debentures and the Warrants were acquired on a non-brokered private placement basis.

2.3 State the names of any joint actors.

N/A

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

Acquisition of \$1.2 million principal amount of 10% Unsecured Convertible Debentures and of 4,000,000 Warrants of the Company.

Immediately prior to the acquisition, the Acquiror owned (i) 58,018,921 Common Shares, representing approximately 25.57% of the presently issued and outstanding Common Shares, (ii) one Series 8 First Preferred Share of the Company, representing 100% of the presently issued and outstanding Series 8 First Preferred Shares of the Company, (iii) 434,860 Series A Preferred Shares of the Company (the "**Series A Preferred Shares**"), representing 100% of the presently issued and outstanding Series A Preferred Shares, which may be converted at the option of the Acquiror into 18,119,166 Common Shares, and (iv) 1,863,095 warrants to purchase Common Shares (the "**Previous Warrants**"). Assuming the conversion in full of the Series A Preferred Shares and exercise in full of the Previous Warrants, the Acquiror would have owned, immediately prior to the acquisition, 78,001,182 Common Shares, representing approximately 31.59% of the Common Shares.

Following completion of this acquisition, the Acquiror owns (i) 58,018,921 Common Shares, representing approximately 25.57% of the presently issued and outstanding Common Shares, (ii) one Series 8 First Preferred Share of the Company, representing 100% of the presently issued and outstanding Series 8 First Preferred Shares of the Company, (iii) 434,860 Series A Preferred Shares, representing 100% of the presently issued and outstanding Series A Preferred Shares, which may be converted at the option of the Acquiror into 18,119,166 Common Shares, (iv) 5,863,095 warrants to purchase Common Shares, and (v) \$1,200,000 principal amount of Debentures. Assuming the conversion in full of the Series A Preferred Shares and Debentures, and exercise in full of the warrants held by the Acquiror following the acquisition, the Acquiror would own 90,001,182 Common Shares, representing approximately 34.76% of the Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

The Acquiror acquired ownership of \$1.2 million principal amount of Debentures and of 4,000,000 Warrants.

3.3 If the transaction involved a securities lending arrangement, state that fact.

N/A

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

N/A

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

N/A

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

N/A

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

N/A

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

N/A

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

N/A

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The transaction took place on a private placement basis for a purchase price of \$1.2 million.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 4.1 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

(e) a material change in the present capitalization or dividend policy of the reporting issuer;

(f) a material change in the reporting issuer's business or corporate structure;

(g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;

(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

(i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror acquired the Debentures and the Warrants described herein for investment purposes. In accordance with applicable securities laws, the Acquiror may, from time to time and at any time, acquire additional shares and/or other equity, debt or other securities or instruments (collectively, "**Securities**") of the Issuer in the open market or otherwise, and reserves the right to dispose of any or all of its Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of the Issuer and other relevant factors.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

An investor rights agreement was entered into on May 8, 2009 between the Acquiror and the Company in connection with an initial offering, and was amended on each of August 23, 2010, March 28, 2011, October 19, 2011, December 27, 2012, April 16, 2013, December 8, 2014, October 1, 2015, February 7, 2019, and August 8, 2019 (the "**Investor Rights Agreement**"), pursuant to which the Acquiror has the right to appoint one director of the Company and to *ex officio* membership on board of director committees and the right to approve the issuance of securities that are senior to the Common Shares. The Investor Rights Agreement has been filed on SEDAR and is available at www.sedar.com under the Company's profile.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

See Item 3.1 above.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

The acquisition of the Convertible Debentures and the Warrants was made in reliance on the “accredited investor” exemption under section 2.3 of National Instrument 45-106 *Prospectus Exemptions*.

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Luxembourg, 09-08-2019

Date

(signed) Anna Fernoux

Signature

Anna Fernoux, Manager of DHCT II Luxembourg S.à.r.l.

Name/Title