

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

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.

This report relates to the acquisition (the “**Acquisition**”) of \$33,000,000 in the form of an unsecured convertible debenture (the “**Debenture**”) of Eguana Technologies Inc. (TSXV: EGT) (the “**Company**” or “**Eguana**”) by ITOCHU Corporation pursuant to the terms of a subscription agreement dated August 25, 2022.

The Debenture will mature and be repayable on the date that is three (3) years (the “**Maturity Date**”) from the closing date of the Acquisition (the “**Closing Date**”). The Debenture will bear interest at a rate of 7% per annum, compounded semi-annually and payable semi-annually or on such earlier date on which the Debenture is converted pursuant to its terms. The Company may satisfy its obligation to pay the interest due, in whole or in part, by issuing to ITOCHU such number of common shares in the capital of the Company (“**Common Shares**”) as is equal to the aggregate amount of interest owing divided by the 5-day volume weighted average trading price of the Common Shares on the TSXV immediately prior to the date on which such interest becomes due and payable.

While the Debenture remains outstanding, at any time following the date that is four months plus one day following the Closing Date, ITOCHU shall have the right (the “**Conversion Right**”) to convert all or a portion of the principal amount outstanding under the Debenture into Common Shares at a price of C\$0.50 per Common Share, upon (i) the mutual agreement of the parties (acting reasonably) on and after date that the Company files a financial statement in respect of any three-month period which reports positive stable net income or, (ii) delivering written notice from ITOCHU within the 90 day period after the Company files a financial statement in respect of any three-month period which reports positive stable net income, and if in case of (ii), ITOCHU shall have the Conversion Right on and after the date that 90-day period has passed from such filing of the financial statements of the Company. Beginning on the date that is four months plus one day following the Closing Date, subject to mutual agreement between the Company and ITOCHU, the Company shall be able to require ITOCHU to convert the Debenture into Common Shares on not less than 30 days' written notice in the event that: (i) the daily volume weighted average trading price of the Common Shares is greater than C\$1.00 for any 20 consecutive trading days; and (ii) the Company has filed financial statements in respect of a three-month period which reports stable positive net income during such three-month period.

Additionally, as a condition to closing of the financing, ITOCHU will provide an undertaking to the TSXV to not acquire Common Shares (including through the exercise of the Debenture) which would result in it owning 20% or more of the Common Shares outstanding, unless the Company has obtained necessary regulatory and shareholder approval in accordance with the policies of the TSXV.

No finder's fees will be paid in connection with the financing.

Assuming the full conversion of the Debenture and all dilutive securities held by ITOCHU, ITOCHU will acquire a 24.08% equity interest in the Company on a partially diluted basis.

Eguana’s address is as follows:

Eguana Technologies Inc.
3636 7th Street S.E.
Calgary, Alberta T2G 2Y8

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.

TSX Venture Exchange.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The Debentures were acquired by ITOCHU Corporation (“**ITOCHU**”). The address of ITOCHU is as follows:

ITOCHU Corporation, 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077 Japan

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 31, 2022, ITOCHU acquired a Debenture of Eguana in the principal amount of \$33,000,000 pursuant to the Acquisition.

2.3 State the names of any joint actors.

Not applicable.

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 this report and the change in the acquiror’s securityholding percentage in the class of securities.

See Item 2.2 above.

Prior to the acquisition of the Debenture, ITOCHU owned 8.46% of the issued and outstanding Common Shares of the Company.

Assuming the full conversion of the Debentures and the Warrants issuable upon conversion of the Debentures, an aggregate of 116,680,664 Common Shares would be owned by ITOCHU, representing approximately 24.08% of the Company's issued and outstanding Common Shares on a fully diluted basis.

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 this report.

ITOCHU acquired ownership and control of the Debenture which is convertible into Common Shares.

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

Not applicable.

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 2.2 and 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**

Not applicable.

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

Not applicable.

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.

Not applicable.

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.

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

Not applicable.

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.

Not applicable.

Item 4 – Consideration Paid

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

See Item 1.1 above.

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.

Not applicable.

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.

ITOCHU acquired the Debenture for investment purposes and to support the growth of Eguana's business. ITOCHU may from time to time (i) convert the existing securities or acquire additional securities, (ii) dispose of some or all of the existing securities, the securities received upon conversion of the existing securities or the additional securities or (iii) may continue to hold the securities of the Company.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing this 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.

DATED this 8th day of September, 2022.

ITOCHU Corporation

By: *(signed) "Hiroaki Murase"*

Name: Hiroaki Murase

Title: General Manager