

Kontrol Energy Corp. Announces \$5 million private placement Debenture and Common Share Unit Offering



April 18, 2018 (Source) – Kontrol Energy Corp. (CSE: KNR)(FSE: 1K8) (the “**Company**” or “**Kontrol**”) announces the commencement of a non-brokered private placement (the “Offering”) of up to \$5,000,000 of units at a price of \$1,000 per unit,

each unit to be comprised of one \$750, 7% unsecured, non-convertible debenture (each, a “Debenture”) and 300 common shares (each, a “Common Share”) of the Company, priced at \$0.83 per share, with one half common share purchase Warrant, exercisable at a price of \$1.10 and a term of 30 months from the closing date.

The Company intends to raise the proceeds through multiple closings over the next 4 to 6 months in order to time the raising of capital to closer align to the closing of acquisitions under Letter of Intent or currently in due diligence. The majority of the net proceeds from the Offering will be used to finance acquisitions of operating businesses and technologies in the energy efficiency sector as part of the Company’s overall growth strategy.

The Debentures will bear interest at a rate of 7% per annum, payable quarterly in arrears and will mature on April 25, 2021 (the “Maturity Date”). The Debentures are non-convertible and non-redeemable. The Debentures partially comprising the Units are not listed on any stock exchange or market. The Common Shares of the Corporation are listed on the Canadian

Securities Exchange (“CSE”) and trade under the symbol **“KNR”**. The Debentures and Common Shares comprising the Units will be subject to a resale restriction for four months and one day from their date of issuance.

The Company may pay to an Agent or sub-agent, subject to the President’s List, a cash fee in an amount not exceeding 8% of the aggregate Gross Proceeds of the sale of Units attributable to the Agent or sub-agent, and/or the issuance of share purchase warrants of the Corporation (the **“Finder’s Warrants”**) not exceeding 7% of the Gross Proceeds in respect to such sales. Each Finder’s Warrant will be exercisable to purchase one additional common shares of the Corporation (the **“Finder’s Warrant Shares”**) at a price per share determined by the Company, and/or to the provisions of the Canadian Securities Exchange Policy 6 – Distributions, for a period of 30 months from the closing date.

“Our ability to acquire strong operating companies, which are a fit for our vertical integration strategy, along with our ability to finance these acquisitions with a blend of debt and equity is a significant value to our shareholders. We are adding revenue and earnings while maintaining a strong capital structure with an emphasis on minimizing dilution,” says Paul Ghezzi, CEO of Kontrol Energy. “With less than 30 million shares outstanding, on a fully diluted basis, we are keenly focused on driving shareholder value.”

The Offering will be made by way of private placement in Canada and may be offered in other jurisdictions where they can be issued, exempt from any prospectus, registration or other similar requirements. The Offering is subject to certain conditions including, but not limited to, the approval of the Canadian Securities Exchange.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United

States absent registration or applicable exemption from the registration requirements. This document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Kontrol Energy Corp.

Kontrol Energy Corp. (CSE:KNR, FSE:1K8) is a leader in energy efficiency solutions and technology. Through a disciplined mergers and acquisition strategy, combined with organic growth, Kontrol Energy Corp. provides market-based energy solutions to our customers designed to reduce their overall cost of energy while providing a corresponding reduction in Green House Gas (GHG) emissions.

Additional information about Kontrol Energy Corp. can be found on its website at www.kontrolenergy.com and by reviewing its profile on SEDAR at www.sedar.com

Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward Looking Statements:

This press release is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The securities referred to herein may only be sold to prospective investors who meet certain eligibility criteria. Prospective investors should consult with their own legal, regulatory, tax, business, investment, financial, accounting or other advisors as deemed necessary, and make their own decision based upon their own judgment and upon any advice from any such advisors. This press release may contain certain information or statements that are forward looking, and, by its nature, such forward-looking information is subject to important risks and uncertainties. The words “anticipate”, “expect”, “may”,

“should”, “estimate”, “project”, “outlook”, “forecast” or other similar words are used to identify such forward looking information. Those forward-looking, if any, are given as of the date noted on this presentation and reflect beliefs and assumptions based on information available at the time. Actual results or events may differ from those anticipated or predicted in these forward-looking statements, and the differences may be material. Factors which could cause actual results or events to differ materially from current expectations include, among other things: risks associated with the ownership and operation of businesses, including fluctuations in interest rates, rental rates; general economic conditions; local real estate markets; supply and demand for commodities; competition for available businesses; weather; the price of commodities; changes in legislation and the regulatory environment; and international trade and global political conditions. Although it is believed that the expectations conveyed by any forward-looking statements made (if any) are reasonable based on information available at the date such statements were made, no assurance can be given as to future results or events and so prospective investors are cautioned not to place undue reliance on any forward-looking statements made (if any). All forward-looking information, whether written or oral, are expressly qualified in their entirety by these cautionary statements. No obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise is undertaken. *Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other documents whether as a result of new information, future events or otherwise, except as required under applicable*

securities law.