

Kontrol Energy Provides Operational Update



November 21, 2018 (Source) – Kontrol Energy Corp. (CSE: KNR, FSE:1K8), (“Kontrol” or the “Company”) a leading energy technology and solutions company is pleased to provide a corporate update relating to progress of

operations and strategic activities over the past four months.

The highlights include:

- Completion of CEMSI acquisition in September 2018, adding \$6 Million of annual revenues and approximately \$1 Million in annualized EBITDA
- Following the CEMSI acquisition in September, Kontrol has received 2 significant customer orders, totaling over \$2 million.
- Secured 2 contracts with Licenced Producers in the Cannabis sector to provide energy efficiency services.
- Anticipated annualized revenue run rate of \$16 Million beginning in Q4 2018 as the CEMSI acquisition is consolidated
- Accelerating revenue synergies across operating subsidiaries

Acquisition Update

In September 2018, the company finalized the acquisition of CEM Specialties Inc. (CEMSI) an Ontario based emission integrator focused on helping companies monitor and reduce emissions throughout the USA, Canada and abroad. CEMSI services deliver over 25 years of experience in the industry, with more than 1,000 sites currently in operation across 3 continents. Paul Ghezzi, CEO of Kontrol Energy stated, “We are

very pleased with closing the acquisition of CEMSI as this will generate considerable revenues as well as add to our bottom line, while gaining a growing footprint in the USA as part of our overall strategic growth initiatives. In the short time since the acquisition of CEMSI, the Company has received two significant orders, which includes a CAD \$1.1 Million order from a global cement company and a CAD \$1.2 Million order from a global mining company.”

IOT Platform Expansion

Kontrol is in the midst of expanding its IOT platform to include new hardware and software additions. Details of the expansion will be provided prior to year end. Currently Kontrol is providing real-time energy management in over 200 Buildings across Canada, spanning more than 16 Million square feet and is generating in excess of \$1 Million per annum in recurring revenues. Kontrol is designing a highly scalable energy management solution which can be expanded into global markets.

The Company’s IOT platform which includes a Software as a Service (SaaS) solution has been identified as a strategic driver of future organic growth.

Cannabis Market

The Cannabis industry requires large amounts of low-cost energy to be successful, representing a new market for Kontrol. Through distributed generation, real-time energy analytics and emission technologies, Kontrol assists Licensed Producers in reducing their overall cost of energy while supporting mission critical infrastructure. Kontrol also provides solutions and technologies to meet air quality and emission compliance.

In the summer of 2018, the Company announced that it would be entering the cannabis market to assist Licensed Producers with the implementation of Kontrol’s energy saving solutions. The

Company has since signed two agreements with Licensed Producers in Ontario but due to industry competitive purposes the company cannot disclose the names of the parties involved.

Based on industry estimates it takes approximately 2,000 kilowatt hours to produce a pound of cannabis using traditional growing methods. That's similar to how much electricity is used by an average household over a period of 2 to 3 months. Given the number of licensed cannabis growers in Ontario, up to one percent of Ontario's electricity grid may be required to fuel the Ontario market. The US market has the potential to be twenty times larger than the Ontario market opportunity.

Growth Plans

"In less than 2 years we have grown our revenue run rate from \$1.8 Million to \$16 Million," continued Paul Ghezzi. "We have been delivering on our stated goals and objectives and seek to continue our strong growth through further accretive acquisitions and the expansion of our smart energy technologies."

About Kontrol Energy

Kontrol Energy Corp. (CSE: KNR, FSE: 1K8) is a leader in the energy efficiency sector through IOT, Cloud and SaaS technology. With 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 Greenhouse Gas (GHG) emissions.



Kontrol Energy was recently announced as the 7th fastest growing Startup in Canada by *Canadian Business* and *Maclean's*.

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



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Caution Regarding Forward Looking Statements:

Certain information included in this press release, including completed and future acquisitions that will generate considerable revenues for the Company, anticipated annualized revenues, the acceleration of revenue synergies across operating subsidiaries, IoT expansion, entering the Cannabis market, information relating to future closings of the Offering, payments of interest, commissions or finders fees, minimization of common equity dilution, possible future acquisitions and/or investments in operating businesses and/or technologies, accelerated growth, the provision of solutions to customers and Green House Gas emissions reductions,

proposed financial savings and sustainable energy benefits and energy monitoring, growth strategy and financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief are based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that the Offering will be successful, that suitable businesses and technologies for acquisition and/or investment will be available, that such acquisitions and or investment transactions will be concluded, that sufficient capital will be available to the Company, that technology will be as effective as anticipated, that organic growth will occur, and others. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, lack of further subscriptions for the Offering, lack of acquisition and investment opportunities or that such opportunities may not be concluded on reasonable terms, or at all, that sufficient capital and financing cannot be obtained on reasonable terms, or at all, that technologies will not prove as effective as expected that customers and potential customers will not be as accepting of the Company's product and service offering as expected, and government and regulatory factors impacting the energy conservation industry. 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.