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Kontrol Energy Announces Exchange of Debentures and Private Placement

Toronto, Ontario June 9th, 2020 – Kontrol Energy Corp. ([CSE:KNR](#), [OTCQB:KNRLF](#), [FSE:1K8](#)) (the “Company” or “Kontrol”) a leader in the energy efficiency sector through IoT, Cloud and SaaS technology announces the commencement of a non-brokered private placement (the “Offering”) of up to \$5,800,000 principal amount 8% unsecured debentures of the Company maturing on October 31st, 2022 (each, a “2022 Debenture”). The 2022 Debentures will be issued as part of a unit (each, a “Unit”) comprised of one \$1,000 2022 Debenture and 50 common shares of the Company (each, a “Common Share”).

“The 2-year extension of the October 2020 debentures provides a significant improvement to our balance sheet and maintains our focus on limiting dilution to Kontrol’s common shares as we continue to execute on our growth strategy,” says Paul Ghezzi, CEO of Kontrol.

The Company intends to allocate up to \$5,800,000 of the Units for issuance to holders of the outstanding 8% unsecured debentures of the Company maturing on October 31st, 2020 (the “2020 Debentures”) who wish to exchange their 2020 Debentures for Units in the Offering. The balance of the Units not issued to holders of 2020 Debentures in exchange for their return for cancellation of their 2020 Debentures will be offered to purchasers for cash. The holders of the 2020 Debentures are under no obligation to exchange the 2020 Debentures for Units. The 2022 Debentures will bear interest at a rate of 8% per annum, payable monthly in arrears and will mature on October 31st, 2022. The Company shall make a bonus payment of 1% interest payable annually to the holders of the 2020 Debentures, in cash or in common shares, at the sole discretion of such holders. The 2022 Debentures are non-convertible and non-redeemable and will rank *pari passu* with all other unsecured indebtedness of the Company. The 2022 Debentures partially comprising the Units are not listed on any stock exchange or market.

The 2022 Debentures and Common Shares comprising the Units will be subject to a resale restriction of four months and one day from their date of issuance.

The Company may pay a selling commission or finder's fee to securities dealers or finders engaged by the Company not exceeding 7% of the aggregate principal amount of the Offering in cash and 7% of the aggregate principal amount of the Offering in broker warrants (the “Broker’s Warrants”) from the sale of the Units. Each Broker’s Warrant will be exercisable to purchase one additional common share of the Company at a price per equal to the 10 day volume weighted average price (VWAP) of Kontrol’s common shares at the date of closing, such pricing being subject to the policies of the Canadian Securities Exchange. Completion of the Offering is subject to the Company exchanging a minimum of two hundred 2020 Debentures in exchange for Units in the Offering.

The Offering will be made by way of private placement in Canada and may be offered in other jurisdictions where the Units can be issued pursuant to exemptions, 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

Kontrol Energy Corp. (CSE: KNR) (OTCQB: KNRLF) (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 is one of Canada's fastest growing companies in 2018 and 2019 as ranked 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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Forward-Looking Information

Certain information included in this press release, including information relating to future financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements regarding the Offering, possible future acquisitions and/or investments in operating businesses and/or technologies, accelerated organic growth, the provision of solutions to customers and greenhouse gas emissions reductions, proposed financial savings and sustainable energy benefits and energy monitoring. 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 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.