



Kontrol Energy provides Operational Update

TORONTO, May 28, 2019 / ACCESSWIRE - Kontrol Energy Corp. (CSE: KNR, OTCQB: KNRLF, FSE:1K8) ("Kontrol" or "Company") a leader in the energy efficiency sector through IoT, Cloud and SaaS technology is pleased to provide a corporate update relating to progress of operations.

Highlights

- Closing of accretive acquisition anticipated in early Q3, 2019
- First orders from the Toyota Tsusho Smart Factory partnership anticipated in Q2 2019
- Continued organic growth from the Cannabis sector and growing software as a service (SaaS) platform

Revenue Growth

Over the 2-year period from 2016 to 2018, Kontrol has grown its revenue run rate from approximately \$1.8 Million to \$16 Million. In addition to accretive acquisitions, Kontrol's future organic growth is being driven by its energy software as a service (SaaS) platform, the scaling of its strategic partnership with Toyota Tsusho and its Cannabis industry solutions.

Due to the seasonal nature of stack testing, revenue from this emissions service is typically lower in Q1 and Q2 as compared with the balance of the year. This seasonality will have an impact on overall revenues in Q1 and Q2, consistent with prior years.

Next Acquisition

On March 14th, 2019 Kontrol announced that it had entered into a Letter of Intent (the "LOI") to acquire an established and leading provider of electrical retrofit services (the "Target").

The Target has been providing the Canadian market with high quality, value added electrical efficiency services and retrofit applications for more than 15 years. The Target has averaged revenues (unaudited) of over \$6.5 Million and normalized EBITDA of approximately \$700,000 over the past 3 years.

The purchase price is CAD \$3.0 Million, subject to working capital adjustments with a holdback of \$300,000 for 12 months. Additional performance payments may be made based on the Target achieving certain EBITDA performance levels.

The acquisition is anticipated to be completed in Q3, 2019.

Toyota Tsusho Smart Factor Partnership

On March 25th, 2019 Kontrol announced that it had entered into a strategic partnership with Toyota Tsusho. Working together Kontrol and Toyota will assist automotive and automotive parts factories achieve improved efficiencies in the areas of buildings, utilities and process. Kontrol will provide Toyota Tsusho with the software and hardware required to manage these critical areas in real-time. The key benefit to factory customers is the ability to reduce costs and improve operational profitability by being able to analyze, manage and adjust operations in real-time.

Following a series of pilots Kontrol anticipates initial orders from factory customers in Q2, 2019.

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.

The Company is active in the sector and anticipates new customer wins in the coming months.

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 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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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 possible future/next acquisitions and/or investments in operating businesses and/or technologies, accelerated organic growth and revenue growth, expansion of smart energy technologies into US markets, strategic partnerships to expand into North American Markets, smart factory expansions and partnerships, growth in the Cannabis market, acceleration of recurring SaaS revenues, 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 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.