



## Kontrol Technologies Provides Corporate Update

Toronto, ON / April 7<sup>th</sup>, 2021 / Kontrol Technologies Corp. ([CSE:KNR](#)) ([OTCQB:KNRLF](#)) ([FSE:1K8](#)) ("Kontrol Technologies" or "Kontrol" or "Company") is pleased to provide a corporate update.

"We continue to make progress towards our 2021 corporate goals," said Paul Ghezzi, CEO of Kontrol. "We have integrated our previously completed acquisition, New Found Air, added growth in our core business, entered new markets with BioCloud and improved our balance sheet."

### Outlook

COVID-19 impacted operations in 2020 by making it difficult to access customer sites for the first six months of the year and the Company experienced a deferral of capital projects. In many cases customers have resumed or budgeted those projects for completion in 2021.

Based on the significant investments made in 2020 across our operating platform, and with current visibility the Company anticipates FY 2021 revenue of approximately \$33 million to \$35 million (compared to unaudited revenue of approximately \$13 million for FY 2020) and FY 2021 Adjusted EBITDA in the range of \$3.7 million (compared to unaudited Adjusted EBITDA of approximately \$2.0 million for FY 2020).

The anticipated revenue mix is 70% from the Company's core business and 30% from BioCloud.

Adjusted EBITDA is a non-IRFS financial measure. The Company defines Adjusted EBITDA as net income or loss before interest, income taxes, amortization, and depreciation, share based compensation, and acquisition related expenses.

Please see Forward Looking Information Disclaimer.

### Smart Buildings

Over the past year the global pandemic has changed the way in which commercial, multi-residential and industrial buildings are managed and maintained. More than ever, there is an emphasis on how to deploy technology to reduce operating costs, optimize energy savings and increase automation to reduce labor costs while advancing sustainability.

The ability to efficiently aggregate data in real-time and harness that data to drive measurable improvements in energy, emissions and air quality is what Kontrol offers its customers. How we deliver that is through building automation, a recurring service platform and software as a service.

### BioCloud

To date the Company has invested approximately \$4 million CAD in the development and commercialization of BioCloud with approximately 50% of that investment funding provided by Government sources.

The Company's progress to date includes (not in any order):

- IRAP Funding from the National Research Council of Canada
- Moving from prototype to commercialization and production
- Manufacturing improvements in design for scaling purposes
- 4 patents filed (3 USA and 1 Canada)
- 14 distribution partners and 3 referral agreements spanning Canada, USA, Middle East, South Korea, Vietnam and China
- Additional distribution partners in various stages of negotiation
- Funding from the Ontario Together Fund
- Units deployed in the field spanning restaurant, sporting, long-term care and other applications
- Various Non-Disclosure Agreements signed with potential partners and distributors

Distributors are not mandated to purchase BioCloud units but if they don't achieve their minimum annual targets, they will lose their preferred distributor pricing. Non-exclusive distribution partners have a typical minimum purchase of 250 units annually.

### **Balance Sheet**

As of March 31, 2021, the Company's debt position has been reduced by approximately \$4 million driven primarily by the conversion of the Company's convertible debt and debt repayment. As of March 31, 2021, approximately \$795,000 remains in convertible debentures, which the Company anticipates will be converted in 2021.

In addition, the Company has settled certain vendor hold backs through equity issuance and cash payments.

Over the period from Q3 2020 to March 31, 2021, proceeds from options and warrants exercise of approximately \$4.5 million were received.

### **Uplisting**

The Company continues to work on its previously announced uplisting strategy (December 2020) and at the appropriate time will provide an update.

## **About Kontrol Technologies Corp.**

Kontrol Technologies Corp., a Canadian public company, is a leader in smart buildings and cities through IoT, Cloud and SaaS technology. Kontrol Technologies provides a combination of software, hardware, and service solutions to its customers to improve energy management, air quality and continuous emission monitoring.

Additional information about Kontrol Technologies Corp. can be found on its website at [www.kontrolcorp.com](http://www.kontrolcorp.com) and by reviewing its profile on SEDAR at [www.sedar.com](http://www.sedar.com)



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## **Non-IFRS Financial Measures**

*The Company defines Adjusted EBITDA as net income or loss before interest, income taxes, amortization, and depreciation, share based compensation, and acquisition related expenses. The Company believes Adjusted EBITDA is a useful measure as it provides information to management about the operating and financial performance of the Company and its ability to generate operating cash flow to fund future working capital needs, as well as future growth. Adjusted EBITDA may also be used by investors and analysts for the purpose of valuing the Company. Readers are cautioned that these non-IFRS definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to net earnings determined in accordance with IFRS or as indicators of performance, liquidity or cash flows.*

## **Forward-Looking Statements**

*This news release contains “forward-looking information” within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as “may”, “will”, “expect”, “likely”, “should”, “would”, “plan”, “anticipate”, “intend”, “potential”, “proposed”, “estimate”, “believe” or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy.*

*Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that sufficient capital will be available to the Company and that technology will be as effective as anticipated.*

*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, 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. Kontrol BioCloud is an air quality technology and not a medical device. The Company is not making any express or implied claims that its product has the ability to eliminate, cure or contain the COVID-19 (or SARS-2 Coronavirus).*

*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 are based on the beliefs, estimates, expectations, and opinions of management on such date. Kontrol 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 or to explain any material difference between subsequent actual events and such forward-looking information, except as required under applicable securities law. Readers are cautioned to consider these and other factors, uncertainties, and potential events carefully and not to put undue reliance on forward-looking information.*