

# Smartcool Updates Progress on Audited Financial Statements

July 15, 2019

**Smartcool Systems Inc.** (TSX.V: SSC; OTC: SSCFF; FSE: R3W) (“**Smartcool**” or the “**Company**”) is pleased to provide this update on the status of the audit of its consolidated annual financial statements for the year ended December 31, 2018 (the “**2018 Financial Statements**”), the management discussion and analysis and the related officer certifications, as well as the financial statements and related documents for the first fiscal quarter of 2019. As previously announced, the British Columbia Securities Commission issued a management cease trade order on May 1, 2019 because Smartcool was unable to timely file the 2018 Financial Statements, and the Company is filing this status update in accordance with National Policy 12-203, *Management Cease Trade Orders*, which requires bi-weekly updates by way of news releases.

As previously announced, Smartcool was unable to timely file its 2018 Financial Statements because its newly acquired subsidiary, Total Energy Concepts Inc. (“**TEC**”), had not finished transitioning its accounting data to a platform that allowed consolidation with the parent company and its other subsidiaries. The Company continues to provide information to the Auditors to support the financial statements that have been generated by the Company's accountants. The Company's auditors, MNP are new to the Company and are requesting more information than originally anticipated. The process is ongoing with progress continuing to be made. The Company continues to believe that its auditors are close to completing the audit of the 2018 Financial Statements allowing the Company to file its statements in the near future. The Company will provide further updates as required.

## About Smartcool

Smartcool Systems Inc. provides cutting edge energy efficient and energy cost reduction solutions for businesses around the world. The ECO3, ESM and ECOHome are Smartcool's unique retrofit technologies that reduce the energy consumption of compressors in air conditioning, refrigeration and heat pump systems by up to 40%.

Total Energy Concepts (TEC), a wholly owned subsidiary of Smartcool, is a national leader in Power Protection, Energy Management, Power Quality, Facility Grounding, and Lighting Solutions that help companies improve their bottom line by reducing expenses that drastically cut into company profits. TEC focuses on a holistic approach to energy efficiency with proprietary technologies for power factor correction and third party technologies including LED, voltage conditioning and intelligent motor controls.

For more information please [www.smartcool.net](http://www.smartcool.net) and [www.totalenergyconcepts.com](http://www.totalenergyconcepts.com)

## For further information

**WEB** [www.smartcool.net](http://www.smartcool.net) and [www.smartcooleco3.com](http://www.smartcooleco3.com)

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**Legal Notice Regarding Forward Looking Statements**

*This news release contains “forward looking statements”. Forward-looking statements are projections of financial performance or future events. Forward-looking statements can be identified by the use of words such as “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate” and words of similar meaning. Forward-looking statements are based on management’s current expectations and assumptions and they are subject to risks that may cause actual results to differ materially from those expressed or implied by such forward looking statements. Forward-looking statements in this news release include those concerning the Company’s expectations about the timing of its audit of the 2018 Financial Statements. These statements are subject to risks that may cause the actual results to be materially different in future periods from those expressed or implied by such forward looking statements. Risks that may prevent or delay the forward looking statements from coming to fruition as anticipated include the availability of working capital, risks inherent in product development, as well as market factors that may increase costs or time to market. It is our policy not to update forward looking statements except to the extent required under applicable securities laws. Further information on the Company is available at [www.sedar.com](http://www.sedar.com) or at the Company’s website, [www.smartcool.net](http://www.smartcool.net).*

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