

Kontrol Technologies announces \$8.5 million Private Placement with Institutional Investors

TORONTO, May 27, 2021 /CNW/ - **Kontrol Technologies Corp.** (NEO: KNR) (OTCQB: KNRLF) (FSE: 1K8) ("**Kontrol**" or the "**Company**") a leader in smart buildings and cities through IoT, Cloud and SaaS technology is pleased to announce that it has entered into securities purchase agreements for a private placement of its common shares (a "**Share**" and, collectively, the "**Shares**") and warrants to purchase Common Shares ("**Warrants**") to institutional investors only for aggregate gross proceeds to the Company of approximately Cdn \$8.5 million (the "**Private Placement**"). Pursuant to the Private Placement, the Company will issue up to 5,666,332 Shares and Warrants to purchase up to 2,833,166 Shares at a purchase price of Cdn \$1.50 per Share and associated Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of Cdn \$1.75 per Share at any time prior to the three-year anniversary of the closing date of the Private Placement (the "**Closing Date**"). The Company expects the Closing Date to occur on or about June 1, 2021.

A.G.P./Alliance Global Partners (the "**Agent**") is acting as the exclusive placement agent for the private placement in the United States.

In the United States, the Shares, Warrants and the shares issuable upon the exercise of the Warrants will be offered on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and certain other jurisdictions in accordance with applicable securities laws.

In consideration of the services provided, the Company has agreed to pay the Agent a total cash fee equal to seven percent (7%) of the gross proceeds from the total amount of units sold in the private placement. The Company's intended use of proceeds from the private placement is for capital expenditures, working capital and general corporate purposes.

No securities will be offered for sale or sold in Canada.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in Canada in connection with the Private Placement; nor 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 prior to registration or qualification under the securities laws of any such jurisdiction. This news release shall not constitute an offer of securities for sale in the United States. The securities have not been, nor will they be, registered under the U.S. Securities Act and such securities may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

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 and by reviewing its profile on SEDAR at www.sedar.com

<https://facebook.com/kontroltechcorp/>

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Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this release.

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 Kontrol 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 the expected closing date of the Private Placement, 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.

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