

Kontrol Energy Announces Second Quarter 2018 Results with 59% Revenue Growth

written by Raj Shah | August 28, 2018

✘ August 28, 2018 ([Source](#)) – Kontrol Energy Corp. (CSE:KNR, FSE:1K8), (“Kontrol”, or the “Company”) reported its Q2 2018 financial statements for the six months ended June 30, 2018. Kontrol continues to execute on its growth plans with a focus on achieving cash flow positive operations.

Q2 2018 Highlights

- 6-month revenues of \$4.3 million, up 59% over 6 months 2017
- Q2 2018 revenues of \$2.1 million, up 35% over Q1 2017
- Gross profit margin for Q2 2018 of 74%
- Adjusted EBITDA⁽¹⁾ of \$47,159
- On track for completion of Purchase and Sale Agreement to acquire an emission equipment and integration company with approximately \$6 Million of annual revenues and \$1 Million of normalized annual earnings based on the most recent acquiree’s unaudited financial statements for its fiscal year ended July 31, 2018. Approximately 30% of revenues are annual recurring and greater than 40% of revenues are generated from US customers. The anticipated closing of the acquisition is on or before September 30th, 2018 and the acquisition will be financed primarily through a non-convertible debt issuance

- Growing backlog of power generation projects in development to add to 2018 revenues
- Target anticipated 2018 revenues of approximately \$11 Million
- Following the acquisition Kontrol anticipates approximately \$16 Million in annual revenues on a 12-month run rate basis

Positive Adjusted EBITDA and Acceleration to Cash Flow Positive

“We had a strong second quarter with revenues in line with expectations and much lower operating expenses were incurred as compared with Q1 2018,” says Paul Ghezzi, CEO of Kontrol Energy. “As we accelerate revenue growth into Q3 and Q4 and we close our next acquisition, Kontrol will be on course to be cash flow positive on a 12-month run rate basis. We remain focused on growing our top line revenues in excess of 50% per annum while being profitable and improving cash flow generation. Kontrol is very pleased that we continue to expand operations while maintaining less than 27 Million shares outstanding and less than 30 Million shares fully diluted.”

Financial summary

<i>(in Canadian dollars)</i>	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Revenues	\$2,106,254	\$1,558,830	\$4,302,818	\$2,708,510
Gross profit	\$1,567,901	\$1,108,060	\$2,850,336	\$1,838,447
Net loss	\$(329,995)	\$(467,185)	\$(1,330,930)	\$(724,828)
Add for adjusted EBITDA reconciliation:				

Amortization and depreciation	\$237,589	\$103,691	\$504,277	\$155,964
Finance expense	\$120,620	\$169,302	\$241,348	\$274,739
Share based compensation	\$18,945	\$200,000	\$189,345	\$200,000
Adjusted EBITDA[1]	\$47,159	\$5,808	\$(395,960)	\$(94,125)

[1] 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, and share based compensation

A complete set of Financial Statements and Management's Discussion & Analysis has been filed www.sedar.com.

About Kontrol Energy

Kontrol Energy Corp. (CSE: KNR, FSE: 1K8) is a leader in energy efficiency through IOT, Cloud and Blockchain 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.

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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Caution Regarding Forward Looking Statements:

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 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 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.