

Kontrol Technologies Announces First Quarter 2025 Financial Results

TORONTO--(BUSINESS WIRE)--May 15, 2025--**Kontrol Technologies Corp.** (CBOE.CA:KNR) (OTCQB:KNRLF) (FSE:1K8) ("Kontrol Technologies" or "Kontrol" or "Company") announces its results for the three months ended March 31, 2025. A complete set of the Financial Statements and Management's Discussion & Analysis have been filed on SEDAR (www.sedarplus.ca).

“As of Q1 2025 we have streamlined the Company and reduced operating expenses to align with the sale of our emission assets and a focus on our core operating business,” says Paul Ghezzi, CEO Kontrol. “Our 2025 strategic plan includes adding new customers to our existing platform of approximately 400 buildings both through organic growth and by acquisition. In Q1 2025 we experienced delays in certain project revenues due to the uncertainties in the market created by tariff policy which has impacted large equipment manufacturers. Customers have been hesitant to engage in new upgrade projects without tariff certainty. We anticipate ongoing uncertainty until the end of Q2 2025.”

First Quarter 2025 Highlights

- Revenues for the three months ended March 31, 2025 were \$1.5 million, compared to \$3.8 million for the same quarter in the prior year. The comparative Q1 2024 figures includes CEM Specialties Inc. On June 24, 2024, the Company completed the sale of the operational net assets of this entity.
- Gross margin for the three months ended March 31, 2025 was 54%, compared to 62% for the same quarter in the prior year.
- Adjusted EBITDA for the three months ended March 31, 2025 was negative \$(228,521) compared to \$966,489 for the same quarter in the prior year.
- Net income (loss) for the three months ended March 31, 2025 was \$(1.1) million compared to \$533,487 for the same quarter in the prior year. The net loss is primarily related to the quarter over quarter revaluation of marketable securities and share based compensation. Under IFRS accounting policies the Company is required to take any quarter over quarter changes in its marketable securities as other income or loss on the income statement.
- The Company has eliminated all interest-bearing bank debt and has successfully achieved its financial objective to improve liquidity and leverage.
- As at March 31, 2025 the Company’s aggregate cash and marketable securities balance was \$11.2 million.

Normal Course Issuer Bid

During the three months ended March 31, 2025, the Company repurchased 734,000 common shares for a total of \$130,000. Pursuant to the Normal Course Issuer Bid approved by Cboe

Canada, Kontrol may purchase, from time to time, over a period of 12 months starting April 14th, 2025, and ending April 13th, 2026, up to 2,757,858 common shares.

Q1 2025 Financial Summary

Financial Results <i>(Unaudited)</i>	Three months ended	
	March 31, 2025	March 31, 2024
Revenue	\$1,493,383	\$3,786,234
Gross profit	\$807,804	\$2,332,075
Net income (loss)	\$(1,145,833)	\$533,487
Basic and diluted EPS	\$(0.02)	\$0.01
Add/Deduct for Adjusted EBITDA reconciliation:		
Amortization and depreciation	\$156,052	\$222,383
Finance expense (income)	\$(30,208)	\$158,662
Revaluation of marketable securities	\$742,995	-
Share based compensation	\$48,473	\$51,957
Adjusted EBITDA	\$(228,521)	\$966,489

Adjusted EBITDA is a non-International Financial Reporting Standards ("IFRS") measure used by management that is not defined by IFRS. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that Adjusted EBITDA provides meaningful and useful financial information as these measures demonstrate the operating performance of the business excluding non-cash charges.

"Adjusted EBITDA" is calculated as net income or loss before interest, income taxes, amortization, and depreciation, share based compensation, acquisition related expenses, listing expense, gain or loss on sale of assets, revaluation and impairment of assets.

Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net income as determined under IFRS; nor as an indicator of financial performance as determined by IFRS; nor a calculation of cash flow from operating activities as determined under IFRS; nor as a measure of liquidity and cash flow under IFRS. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, accordingly, the Company's Adjusted EBITDA may not be comparable to similar measures used by any other company.

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 provides solutions and services to its customers to improve energy management and accelerate the sustainability of all buildings. 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.sedarplus.ca.

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Neither IROC 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, 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 those technologies will not prove as effective as expected; those 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 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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