



FOR IMMEDIATE RELEASE

**SUSTAINCO ANNOUNCES CLOSING OF SECURED
CONVERTIBLE DEBENTURE FINANCING**

Toronto, Ontario, July 14, 2020 – SustainCo Inc. ("**SustainCo**" or the "**Company**", TSXV: SMS) is pleased to announce the closing of its previously announced non-brokered private placement (the "**Offering**"), consisting of \$1,059,942 aggregate principal amount of 2020 Series A secured convertible debentures of the Company (each, a "**Debenture**").

The principal amount of the Debentures will be repaid, in cash, by the Company on the third anniversary of issuance ("**Maturity**") and will carry an interest rate of 12% per year compounded monthly and payable at Maturity. The Debentures are convertible into common shares of the Company at \$0.05 per share for the first year the Debentures are outstanding and at \$0.10 per share thereafter.

In addition, each \$1,000 principal amount of Debentures was issued 10,000 common share purchase warrants (each, a "**Warrant**"), for an aggregate of 10,599,422 Warrants issued. Each Warrant is exercisable into one Common Share at an exercise price of \$0.10 per Common Share for a period of three years from the date of issuance.

The Debentures are secured by way of a general security agreement made in favour of a collateral agent acting as agent for all of the holders of the Debentures, granting a security interest in substantially all of the Company's assets. The Company will have the right to prepay any or part of the Debentures at any time prior to the Maturity Date by paying the principal amount of the Debentures.

The Corporation paid finders a fee of up to 8% cash, for a total of \$84,795 in finders' fees paid, and that number of finders' warrants equal to 8% of the number of shares into which the Debentures are convertible, based on the aggregate amount of principal such finder introduces to the Corporation, being an aggregate of 1,695,907 finders warrants issued on closing.

The securities issued pursuant to the Offering will be subject to a four month statutory hold period commencing on the date of their issuance.

The Company will use the net proceeds from the sale of the Debentures to repay outstanding debt and for general working capital purposes.

About SustainCo Inc.

SustainCo conducts its operations through its wholly-owned subsidiary, VCI Controls.

VCI Controls is a leading supplier of building technologies and services that improve comfort, safety, energy efficiency, and occupant productivity. It is an industry leader in the development of intelligent building technology, including the integration of all building systems utilizing the latest in communications technologies and standards. VCI Controls' business focuses on digital controls and mechanical services, performance monitoring, and energy efficiency solutions.

With headquarters in Toronto, SustainCo has offices across Canada including, Halifax, Montreal, Pembroke, Ottawa, and Vaughan.

Forward Looking Statements

Certain information provided in this press release constitutes forward-looking statements and information within the meaning of applicable securities laws. Forward-looking information typically contains statements with words such as "anticipate", "believe", "forecast", "expect", "plan", "intend", "estimate", "propose", "project", or similar words suggesting future outcomes. The Company cautions readers and prospective investors in the Company's securities not to place undue reliance on forward-looking information as, by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

The forward-looking information included herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and the Company assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

Neither the Exchange, nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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