

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Kontrol Technologies Corp. (the “Issuer”)**

Trading Symbol: **KNR**

Number of Outstanding Listed Securities: **41,008,996 common shares and 3,151,277 common shares reserved for issuance**

Date: **March 2, 2021**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Kontrol Changes Name to “KONTROL TECHNOLOGIES CORP.” and Announces Continuance under the Business Corporations Act (Ontario)

On February 1st, 2021 Kontrol Technologies Corp. (“**Kontrol Technologies**” or “**Kontrol**” or “**Company**”) announced that it has completed its corporate name change to Kontrol Technologies Corp. (the “**Name Change**”) and continuation out of the Province of British Columbia under the provisions of the Business Corporations Act (British Columbia) into the Province of Ontario under the provisions of the Business Corporations Act (Ontario) (the “**Continuance**”), as approved by the shareholders of the Company at the Annual General and Special Meeting held on August 28, 2020. Copies of the certificate of continuation and the articles have been filed under the Company’s profile at www.sedar.com and www.thecse.com. There will be no change in the day-to-day business of the Company as a result of the Continuance.

“The name change to Kontrol Technologies Corp. better reflects our future and our brand,” says Paul Ghezzi, CEO of Kontrol. “We look forward to advancing our energy management, GHG emission and viral detection technologies, which form the foundation of our smart buildings and smart cities solutions.”

Kontrol Energy Group Inc. remains an operating subsidiary of Kontrol Technologies Corp.

Ontario Government Invests \$2 Million in Kontrol BioCloud COVID-19 Technology

On February 4th, 2021 the Company announced that the Ontario government is providing \$2 million to CEM Specialties Inc. (“**CEMSI**”), a London based subsidiary of Kontrol Technologies Corp., through the Ontario Together Fund to help commercialize and accelerate production of Kontrol BioCloud™, a COVID-19 detector.

“From day one, Ontario unleashed its innovation and manufacturing might in the fight against COVID-19, with businesses rolling out new innovations and products to help keep the frontlines and the general public safe,” said Vic Fedeli, Minister of Economic Development, Job Creation and Trade. “It’s the creativity and ingenuity of enterprising companies like CEMSI, with its innovative COVID-19 detection technology, that will help Ontario and the rest of the world successfully emerge from this pandemic, while creating hundreds of good jobs for our province’s skilled workers.”

Kontrol BioCloud (“**BioCloud™**”), developed by CEMSI, is a made-in-Ontario real-time COVID-19 detection device that continuously monitors the presence of the SARS-COV-2 virus in the air. The technology promotes air circulation, monitors air quality and samples continuously for pathogens like viruses, bacteria and fungi. When the presence of the virus is detected, BioCloud provides an alert in the cloud or over a local intranet. The Company has received all approvals required to commercialize and produce the technology. Additional information about Kontrol BioCloud can be found on its website at www.kontrolbiocloud.com

With Ontario's support, CEMSI plans to increase production capacity to 20,000 units per month. The product will be manufactured in London with more than 85 per cent of its components produced in province. The company anticipates accelerating the production of the BioCloud will create up to 250 direct jobs and up to 750 indirect jobs.

"We want to thank the Ontario government for their support for commercializing and accelerating production of BioCloud," says Paul Ghezzi, CEO of Kontrol Technologies Corp. "Our CEMSI team has been focused on developing a solution to create safer spaces through the real-time monitoring of SARS-CoV-2. BioCloud seeks to provide an early detection mechanism with a silent alerting system. Just as smoke detectors and carbon monoxide detectors are now part of building safety, we have created BioCloud as an innovative viral detection technology to help get the economy and daily life back closer to normal. BioCloud is a complement and support to the province's vaccination rollout, rapid testing and contract tracing and can be located in schools, offices, places of worship, long-term care homes, hospitals and much more. We are proud to be a made-in Ontario technology and we are very pleased to be hiring and creating new jobs."

The investment funding agreement with government requires Kontrol to achieve certain production milestones and the investment funding will be issued in two tranches of \$1.2 Million immediately and \$800,000 on completion of the milestones by March 30th 2021. The agreement was executed on January 27th 2021 with a condition precedent of non-disclosure until February 4th, 2021.

Through the Ontario Together Fund, the government is delivering targeted investments that will increase the province's stockpile of made-in-Ontario products and PPE. This new innovative technology and manufacturing capacity will help the province to combat the current COVID-19 outbreak and prepare for potential challenges in the future, while supporting local businesses during the safe and gradual reopening of the province.

Kontrol Technologies Engages Digital Offering for Capital Markets Advisory

On February 10th, 2021 the Company announced that it has entered into an agreement with Digital Offering, LLC, a U.S. Broker Dealer, to act as its financial and capital markets advisor to assist the Company with exploring the U.S. Capital Markets, increase investor awareness and potentially listing its shares on a higher U.S. exchange.

"As we build our business, we believe its strategically important to increase our visibility in the US marketplace. After initiating a review of market conditions, we have engaged Digital Offering in order to pursue a NASDAQ listing. We look forward to broadening our institutional shareholder base and enhancing long-term shareholder value," stated Paul Ghezzi, CEO of Kontrol.

"As Kontrol Technologies continues to create shareholder value and is ready to execute the next stage of its evolution, we are pleased to provide the Company with the advice and assistance to access the U.S. equity markets and National Securities Exchanges, providing greater capital access and liquidity to aid

the Company as it continues to execute on their growth strategy," stated Mark Elenowitz, Managing Director of Digital Offering.

In consideration of this engagement, Digital Offering will be paid an initial fee of US \$25,000 and, upon completion of a successful US listing, an additional payment of US \$175,000. Additionally, Digital Offering was granted 400,000 consultant warrants exercisable for 5 years with a strike price of CAD \$4.80.

About Digital Offering, LLC

Digital Offering is the next generation investment bank that specializes in helping high-quality private and public growth companies access U.S. capital markets and achieve their growth objectives. With constantly changing markets and regulation, Digital Offering is applying best practices of traditional investment banking to new securities industry rules to enhance efficiency in capital raising. By leveraging our expertise, strategic alliances and long-standing relationships in the broker-dealer and Registered Investment Advisor industries, we are positioned to widely distribute our offerings to maximize deal awareness among the right investors.

Kontrol Energy begins trading under New Name Kontrol Technologies Corp.

On February 10th, 2021 the Company announced that further to the news release dated February 1st, 2021, it has received approval from the Canadian Securities Exchange (CSE) to effect a name change to "Kontrol Technologies Corp."

The CSE published a bulletin announcing the effective date of the change in the Company's name. The common shares began trading under the new name on Friday, February 12, 2021. The CUSIP number assigned to the Company's shares following the name change is 50050C107 (ISIN: CA50050C1077). No action is required to be taken by shareholders with respect to the name change. Outstanding share and warrant certificates are not affected by the name change and do not need to be exchanged.

The Company's CSE ticker symbol "KNR", OTC Markets ticker symbol "KNRLF", and Frankfurt Stock Exchange ticker symbol "1K8" will remain unchanged.

Kontrol Establishes Scientific Advisory Board for BioCloud Technology

On February 22nd, 2021 the Company announced that it has established its previously announced scientific advisory board, (see *press release dated January 20th, 2021*) to assist the Company to accelerate existing applications and to develop new BioCloud technology applications.

"Now more than ever viral detection technology is critical to getting the economy and everyday life back to normal," says Paul Ghezzi, CEO of Kontrol. "Vaccines are integral to a broader recovery, however more technology is required for detection and monitoring. We are pleased to be taking a leadership role in this new industry of real-time viral detection infrastructure. Our technology was developed for the current pandemic and the pandemics of the future."

“We are very pleased to establish a world class advisory board for Kontrol BioCloud,” says Gary Saunders, VP Kontrol. “Our advisory board members are at the top of their field and their counsel will be very important to the future of Kontrol BioCloud and other innovative applications of the technology we may seek to develop.”

Advisory Board Members

Caroline Duchaine, Ph.D.

Dr. Duchaine is a full-time professor in the Department of biochemistry, microbiology and bioinformatics, Université Laval, researcher at the Research Center of the l'Institut universitaire de cardiologie et de pneumologie de Québec-Université Laval. In 2000, she founded the bioaerosol research group, world leader in aerovirology, air microbiota analyzes, in vitro bioaerosols, industrial hygiene and agricultural health. She works closely with doctors, engineers, agronomists and physicists in order to develop transdisciplinary research projects aimed at understanding the role of bioaerosols in several contexts: public health, veterinary, agriculture, industry and hospitals. She has supervised more than 115 students and participated in more than 110 research projects, funded by provincial, national and international agencies. She has published 156 peer-reviewed manuscripts, 30 reports, 320 abstracts, and 65 invited lectures in addition to book chapters and scientific reports. She is part of numerous national and international committees and has chaired many international conference sessions. In addition to her undergraduate and graduate teaching involvement and young professors mentoring, she is regularly solicited by mass audience media and is active in knowledge translation. Professor Duchaine holds the Tier-1 Canada Research Chair in Bioaerosols and has been a FRQS and CIHR Scholar.

David E. Heinrichs, Ph.D.

Dr. Heinrichs received his Ph.D. in Microbiology & Immunology from Queen's University at Kingston was a postdoctoral fellow at the University of Guelph. Dr. Heinrichs is currently a professor of Microbiology & Immunology at the University of Western Ontario.

Dr. Heinrichs holds research grants to study the pathogenesis of the 'superbug' Staphylococcus aureus (MRSA) and is developing inhibitors as new therapeutic strategies against this pathogen. Recent work includes examining the effects of co-infection with MRSA and SARS-CoV-2.

Jimmy Dikeakos, Ph.D.

Dr. Dikeakos is an Associate Professor in the Department of Microbiology and Immunology at Western University and the current President of the Canadian Society for Virology. Dr. Dikeakos obtained his B.Sc from McGill University and his PhD from the Université de Montréal. He then subsequently completed a Post-Doctoral fellowship with Dr. Gary Thomas at the Vollum Institute within the Oregon Health and Sciences University.

Since 2012, Dr. Dikeakos has directed a research lab specializing in HIV research at Western University where he supervises M.Sc, PhD, PDFs and 4th year Honors Thesis students. He has also taught hundreds of students introductory virology in his role as course co-coordinator of 2500A/B.

Kontrol to provide BioCloud Field Demonstration and Customer application access

On February 23rd, 2021 the Company announced that it plans to provide real-time demonstration of BioCloud units in operation in various customer and/or pilot customer (“customer”) applications. On a case-by-case basis and subject to the required customer approval the Company will provide video access and any relevant operating data.

“We understand the value and importance of sharing BioCloud units in operation across various customer applications,” says Paul Ghezzi, CEO of Kontrol. “To the extent that we have customer approval we will also share operating data with respect to specific applications. Where we are unable to provide specific operating access to a customer application, we will seek to aggregate and showcase that data in a manner which meets any privacy constraints.”

The Company will work with its customers to share photos and videos of the BioCloud units in operation and share that content. In certain cases, a customer pilot may be restricted from being shared based on the customer’s requirements for non-disclosure. Over the coming weeks the Company anticipates sharing multiple demonstrations of BioCloud in operation.

Production Improvement

The Company has been working with its contract manufacturing partners to enhance the production design of BioCloud with a specific emphasis on reducing the number of circuit boards. The number of circuit boards has been reduced to 5 starting from an initial prototype design of 11. These improvements are considered part of the normal course of moving from prototype to scale production. The reduction in circuit boards will also provide an opportunity to lower manufacturing costs in the future.

Update to Distribution Model

The Company currently has 11 total distributors and 3 sales referral agreements. The sales referral agreements relate to the China and Middle East markets. The sales referral agreements are non-exclusive in nature. The Company has chosen to limit the number of Canadian non-exclusive distribution agreements, from its original plans, given its view that the Canadian market has sufficient distributors in place. The Company is currently negotiating multiple new potential agreements for the USA and the Middle East on a non-exclusive basis.

About Kontrol BioCloud™

BioCloud is a real-time analyzer designed to detect airborne viruses. It has been designed to operate as a safe space technology by sampling the air quality over time. With a proprietary detection chamber that can be replaced as needed, viruses are detected, and an alert system is created in the Cloud or over local intranet. BioCloud has been designed for spaces where individuals gather including classrooms, offices, retirement homes, hospitals, mass transportation and others. Additional information about Kontrol BioCloud can be found on its website at www.kontrolbiocloud.com

BioCloud® is not a medical device and 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).

Forward-Looking Statements

This report 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 the Company 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 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. In particular, successful development and commercialization of the Kontrol BioCloud™ Analyzer (BioCloud™) are subject to the risk that the Kontrol BioCloud™ Analyzer may not prove to be successful in detecting the virus that causes COVID-19 effectively or at all, uncertainty of timing or availability of any regulatory approvals and Kontrol's lack of track record in developing products for medical applications. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this report 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.

2. Provide a general overview and discussion of the activities of management.

The Company has the following directors and officers:

Paul Ghezzi – CEO and Director
Claudio Del Vasto – CFO and Director
Andrew Bowerbank – Director
Ernest William Belyea – Director
Joanna Osawe – Director
Zhengquan Chen – Director
Kristian Lavereau – COO

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

About Kontrol BioCloud

BioCloud™ is a real-time analyzer designed to detect airborne viruses. It has been designed to operate as a safe space technology by sampling the air quality over time. With a proprietary detection chamber that can be replaced as needed, viruses are detected, and an alert system is created in the Cloud or over local intranet. BioCloud™ has been designed for spaces where individuals gather including classrooms, retirement homes, hospitals, mass transportation and others.

BioCloud® is not a medical device and 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).

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the

relationship is with a Related Person of the Issuer and provide details of the relationship.

Capital Advisory Agreement

The Company entered into an agreement with Digital Offering, LLC, a U.S. Broker Dealer, to act as its financial and capital markets advisor to assist the Company with exploring the U.S. Capital Markets, increase investor awareness and potentially listing its shares on a higher U.S. exchange.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

The Company seeks to provide customers with solutions and services to enhance building intelligence and building automation in the areas of Energy Management, Emission Compliance and Air Quality.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

About Kontrol BioCloud

BioCloud is a real-time analyzer developed to detect airborne viruses. It has been designed to operate as a safe space technology by sampling the air quality over time. With a proprietary detection chamber that can be replaced as needed, viruses are detected, and an alert system is created in the Cloud or over local intranet. BioCloud has been designed for spaces where individuals

gather including classrooms, retirement homes, hospitals, mass transportation and others. It can be an important technology which supports the entire system of individual testing and contact tracing.

Kontrol Changes Name to “KONTROL TECHNOLOGIES CORP.”

On February 1, 2021 Kontrol announced that it has completed its corporate name change to Kontrol Technologies Corp.

Kontrol Energy Group Inc. remains an operating subsidiary of Kontrol Technologies Corp.

About Kontrol Technologies

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

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

7% Unsecured Debenture balance as at the date of this report is \$921,750. This balance represents 75% of aggregate proceeds raised as per private placement terms and conditions. The debenture will bear interest at a rate of 7% per annum, payable monthly in arrears and will mature on April 25, 2021.

2024 8% Unsecured Convertible Debenture balance as at the date of this report is \$270,000. The debenture will bear interest at a rate of 8% per annum, payable semi-annually and will mature on August 31, 2024. (Refer to Item 14 Details of securities issued).

2023 8% Unsecured Convertible Debenture balance as at the date of this report is \$749,000. The debenture will bear interest at a rate of 8% per annum, payable semi-annually and will mature on June 30, 2023. (Refer to Item 14 Details of securities issued).

2022 8% Unsecured Debenture balance as at the date of this report is \$4,561,000. Each unit is comprised of one \$1,000 8% unsecured debenture (and non-convertible) of the Company maturing on October 31, 2022 and 10 common shares. The Company will make a bonus payment of 1% interest payable annually to the holders of the 2020 Debenture Units, in cash or in Common Shares, at the sole discretion of such holders.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares (February 2021) Exercised Stock Options	16,786	Exercised Stock Options by employees/directors/officers/consultants of the Issuer as part of the Issuer's eligible Stock Option Plan, exercised at a price of \$0.70 to \$0.90 per share.	\$12,607 to be used for general corporate purposes
Common Shares (February 2021) Exercised Warrants	100,000	Exercised Consulting Warrants in connection to Capital Market Advisory and private placement services. Exercised at	\$60,000 to be used for general corporate purposes

		a price between \$0.60 per share	
Common Shares (February 2021) Exercised Warrants	258,250	Exercised Unitholder and Broker/Finders Warrants in connection to Private Placements. Exercised at a price between \$0.60 -\$1.00 per share	\$185,400 to be used for general corporate purposes
Common Shares (February 2021) Conversion of 2023 Convertible Debentures	22,000	\$11,000 of 2023 8% Convertible Debentures were converted at a price of \$0.50 per share.	Not applicable
Issued Warrants (February 2021)	400,000	Warrants issued to US Capital Markets Advisory firm as per terms of agreement with the Issuer. Holder of this security must not trade this security before June 10, 2021. Expires February 9, 2026. Warrants are exercisable at a price of \$4.80 cents on or prior to February 9, 2026.	\$1,920,000 to be used for general corporate purposes (if exercised)

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Since March 2020, the global pandemic outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, store closures, self-imposed quarantine periods and social distancing, may cause material disruption to businesses globally resulting in an economic slowdown. COVID-19 has cast uncertainty on the assumptions used by management in making its judgements and estimates. The full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the Corporation is highly uncertain and difficult to predict at this time. Accordingly, there is a higher level of uncertainty with respect to management's judgements and estimates.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **March 2, 2021**

Claudio Del Vasto
Name of Director or Senior
Officer



Signature

Chief Financial Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer		YY/MM/DD
Kontrol Technologies Corp.	February 2021	2021/03/02
Issuer Address		
180 Jardin Drive, Unit#9, Vaughan, ON L4K 1X8		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vaughan, Ontario	()	(905) 766.0400
Contact Name	Contact Position	Contact Telephone No.
Claudio Del Vasto	CFO	(905) 766.0400
Contact Email Address	Web Site Address	
admin@kontrolenergy.com	www.kontrolcorp.com	