

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **KNR**

Number of Outstanding Listed Securities: **40,409,960 common shares and 3,326,313 common shares reserved for issuance**

Date: **February 11, 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 appoints new Director to its Board

On January 6, 2021, Kontrol announced that Mr. Zhengquan Chen has been appointed to its Board of Directors.

Mr. Chen is an experienced financial professional, with a demonstrated history of working in the capital markets industry. Skilled in Investor Relations, Venture Capital, Equities, Capital Markets, and IPO. Strong business development professional with a MBA focused on Finance, General from University of Hawaii.

Mr. Chen is the Managing Director of Dynaco Capital Inc. Dynaco Capital Inc. is an international merchant bank headquartered in Toronto, Canada. Its principles have been working with its clients in mining, energy and TMT sectors and assisting Chinese companies on their outbound transactions and international companies on their M & A, financing, restructuring and project development. As its managing director, Mr. Chen has worked on some notable projects and transactions over the past decades, including assisting a New York-listed utility company on its \$120 million hydro project in Guangxi, China in 1997 when China just opened its electric power projects to foreign investors, and representing a Toronto-listed mining company on its deal to sell 100 percent of a lead zinc property in Mongolia for \$125 million

Mr. Kristian Lavereau resigns from the Kontrol Board of Directors and continues in his role as COO of

Kontrol Advances BioCloud technology for European Sales and Provides Update

On January 20, 2021, the Company announced that it continues to advanced the deployment of its BioCloud technology.

“We are pleased with the progress we are making with our distribution network, our direct customers and various levels of Government,” says Paul Ghezzi, CEO. “Through our growing distribution network, we have been presented with numerous potential customers applications. Most recently we have reviewed various applications for professional and amateur sports.”

Non-Disclosure Agreement (NDA)

BioCloud has entered into a Non-Disclosure Agreement, with a leading medical sports authority, to share the full scope of BioCloud’s patents and research. The purpose of the NDA is to advance various potential sport applications. Such applications include, but are not limited to, dressing rooms and training facilities

BioCloud European Standards

Kontrol has initiated the CE standards approval process and BioCloud now has the appropriate power supply ratings for European applications, which is an important prerequisite for European sales. As part of the product requirements for each country within the European Union there may be further standards approval required but these will be dealt with on a case-by-case basis.

Distribution Network

Kontrol has recently added a South Korean firm to its growing distribution network and is in discussion with numerous interested parties.

Viral/Pathogen Advisory Committee

Kontrol is in the process of establishing a viral/pathogen advisory committee that will work with management to accelerate various BioCloud applications. Kontrol seeks to establish the committee in February 2021.

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

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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.

Non-Disclosure Agreement (NDA)

BioCloud has entered into a Non-Disclosure Agreement, with a leading medical sports authority, to share the full scope of BioCloud's patents and research. The purpose of the NDA is to advance various potential sport applications. Such applications include, but are not limited to, dressing rooms and training facilities

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

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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.

The Company’s CSE ticker symbol “KNR”, OTC Markets ticker symbol “KNRLF”, and Frankfurt Stock Exchange ticker symbol “1K8” will remain unchanged. The Company’s common shares are expected to resume trading on the CSE under the name “Kontrol Technologies Corp.” on or about February 5, 2021. Trading under the name “Kontrol Technologies Corp.” is subject to approval from the Canadian Securities Exchange (CSE) and receipt of new CUSIP and ISIN numbers. The Company will update the market of the effective date of the name change once available.

“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.

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 January 31, 2021 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 January 31, 2021 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 January 31, 2021 is \$761,000. 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 January 31, 2021 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 (January 2021) Exercised Stock Options	13,333	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 \$0.90 per share.	\$11,999.70 to be used for general corporate purposes
Common Shares (January 2021) Exercised Warrants	150,000	Exercised Consulting Warrants in connection to Capital Market Advisory and private placement services. Exercised at a price between \$0.60 per share	\$90,000 to be used for general corporate purposes
Common Shares (January 2021) Exercised Warrants	454,000	Exercised Unitholder and Broker/Finders Warrants in connection to Private Placements. Exercised at a price between \$0.60 -\$1.10 per share	\$273,900 to be used for general corporate purposes
Common Shares (January 2021) Conversion of 2024 Convertible Debentures	12,500	\$10,000 of 2024 8% Convertible Debentures were converted at a price of \$0.80 per share.	Not applicable
Common Shares (January 2021) Conversion of 2023 Convertible Debentures	330,000	\$165,000 of 2023 8% Convertible Debentures were converted at a price of \$0.50 per share.	Not applicable

Stock Options (January 2021)	50,000	Incentive Stock Options. Holder of this security must not trade this security before the vesting terms specified below. Expires January 8, 2026. Exercisable at \$3.00	\$150,000 to be used for general corporate purposes (if exercised)
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(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 **February 11, 2021**

Claudio Del Vasto
Name of Director or Senior
Officer

Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer Kontrol Technologies Corp.	For Month End January 2021	Date of Report YY/MM/DD 2021/02/11
Issuer Address 180 Jardin Drive, Unit#9, Vaughan, ON L4K 1X8		
City/Province/Postal Code Vaughan, Ontario	Issuer Fax No. ()	Issuer Telephone No. (905) 766.0400
Contact Name Claudio Del Vasto	Contact Position CFO	Contact Telephone No. (905) 766.0400
Contact Email Address admin@kontrolenergy.com	Web Site Address www.kontrolcorp.com	