

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Kontrol Energy Corp. (the "Issuer")**

Trading Symbol: **KNR**

Number of Outstanding Listed Securities: **29,074,473 common shares and 4,622,667 common shares reserved for issuance**

Date: **April 5, 2019**

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 Energy Announces Application for DTC Eligibility for trading of its shares on the OTCQB Market

On March 12, 2019 Kontrol Energy Corp. (“Kontrol” or the “Company”) announced it has engaged a consultant to apply for eligibility to The Depository Trust Company (“DTC”) for the trading of the Company’s shares on the OTC Market in the United States. The Depository Trust Company, a subsidiary of the Depository Trust & Clearing Corporation DTCC, manages the electronic clearing and settlement of publicly traded companies. Securities eligible to be electronically cleared and settled through the DTC are considered “DTC eligible”. This electronic method of clearing securities speeds up the receipt of stock and cash and accelerates the settlement process for investors trading on the OTC marketplace. The Company expects it will be fully DTC eligible in second quarter 2019.

Kontrol Energy Announces Private Placement and Exchange of Debentures

On March 13, 2019 the Company announced the commencement of a non-brokered private placement (the “Offering”) of up to \$6,000,000 principal amount 8% unsecured debentures of the Company maturing on October 31, 2020 (each, a “2020 Debenture”). The 2020 Debentures will be issued as part of a unit (each, a “Unit”) comprised of one \$1,000 2020 Debenture and 50 common shares of the Company (each, a “Common Share”).

The Company intends to allocate up to \$5,245,000 of the Units for issuance to holders of the outstanding 8% unsecured debentures of the Company maturing on October 31, 2019 (the “2019 Debentures”) who wish to exchange their 2019 Debentures for Units in the Offering. The balance of the Units not issued to holders of 2019 Debentures in exchange for their return for cancellation of their 2019 Debentures will be offered to purchasers for cash. The Company will use net proceeds from the Offering to finance new acquisitions and for general working capital purposes. The holders of the 2019 Debentures are under no obligation to exchange the 2019 Debentures for Units. The 2020 Debentures will bear interest at a rate of 8% per annum, payable monthly in arrears and will mature on October 31, 2020. The 2020 Debentures are non-convertible and non-redeemable and will rank *pari passu* with the 2019 Debentures and all other unsecured indebtedness of the Company. The 2020 Debentures partially comprising the Units are not listed on any stock exchange or market.

The 2020 Debentures and Common Shares comprising the Units will be subject to a resale restriction of four months and one day from their date of issuance.

The Company may pay a selling commission or finder's fee to securities dealers or finders engaged by the Company not exceeding 5% of the aggregate principal amount of the Offering in cash and 3% of the aggregate principal amount of the Offering in broker warrants (the "Broker's Warrants") from the sale of the Units. Each Broker's Warrant will be exercisable to purchase one additional common share of the Company (the "Broker's Warrant Shares") at a price per share determined by the Company, and/or to the provisions of the Canadian Securities Exchange Policy 6 – Distributions, for a period of 30 months from the closing date.

Kontrol Energy Enters into a LOI for a \$6.5M Revenue and \$700K in EBITDA Electrical Efficiency Company

On March 14, 2019 the Company announced that it has entered into a Letter of Intent (the "LOI") to acquire an established and leading provider of electrical retrofit services (the "Target").

The Target has been providing the Canadian market with high quality, value added electrical efficiency services and retrofit applications for more than 15 years. The Target has averaged revenues (unaudited) of over \$6.5 Million and normalized EBITDA of approximately \$700,000 over the past 3 years.

The purchase price is \$3.0 Million CAD, subject to working capital adjustments with a holdback of \$300,000 for 12 months. Additional performance payments may be made based on the Target achieving certain EBITDA targets.

Kontrol Energy Corp. Announces the Grant of Stock Options to Directors, Officers, and Employees

On March 15, 2019 the Company announced that the board of directors has approved the grant of 145,000 stock options to directors, officers, and employees (the "Options", individually an "Option") related to 2018 performance compensation.

The Options are governed by the stock option plan of the Company, dated October 6, 2016 as currently in force.

Each Option is vested immediately and entitles the holder to purchase one common share of the Company at a price of \$0.80 per common share until March 15, 2022. The Options are subject to applicable regulatory filings and approval.

All securities issuances contemplated herein shall be subject to any statutory or regulatory requirements with respect to hold period and compliance with all rules and policies of the CSE.

Kontrol Energy Expands IoT Technology Solutions to Global Asset and Facilities Management

On March 18, 2019 Kontrol announced expansion of its current IoT Technology solutions into the global Asset and Facilities Management industry.

Paul Ghezzi, CEO of Kontrol Energy commented: “Predictive maintenance and real-time management of equipment, energy assets and facilities is a rapidly growing global market which will be part of our organic growth in 2019 and beyond.” Mr. Ghezzi continued: “We are pleased to start working with organizations that manage millions of square feet of commercial and industrial facilities. This vertical has the potential to be a source of significant growth for Kontrol.”

Kontrol’s IoT Technology

Facilities and asset optimization driven by smart IoT hardware and software is much broader than energy savings initiatives alone. Kontrol’s technology advancement will allow the Company to deliver end-to-end facilities management to our customers such as real-time building data management, centralized asset performance, fault detection, predictive analytics and corrective workflow.

Paul Ghezzi went on to state: “Following our acquisition of the SmartSite® Software as a Service (SaaS) platform in 2018, we have been actively developing smart-learning and predictive intelligence enhancements. Through thousands of connected devices spread across an entire facility with each device reporting in real-time our Customers gain immediate visibility over the work environment to improve decision making and address operational efficiencies.”

The benefits of Kontrol’s IoT technology delivered in real-time include streamlined manufacturing processes, workforce efficiency, longer asset life, enhanced energy savings, operating cost reduction and labor optimization.

What is Driving Global Growth in Asset and Facilities Management

Traditionally, building automation and facility management have been independent of each other resulting in significant operational inefficiencies. As organizations seek to increase productivity and improve profitability, choosing a Solutions Provider with proven smart and predictive technologies coupled with IoT and data analytics is critical to achieving these goals. *According to Research and Markets, the Facilities Management global market size was USD 34.65 Billion in 2018 and will grow to USD 59.33 Billion by 2023, a Compound Annual Growth Rate (CAGR) of 11.4%. The major growth factors*

include the development of sustainable infrastructure, and the adoption of IoT and connected devices for building automation across industry verticals. Moreover, there is an increasing need to meet environmental and regulatory compliance.

Kontrol Energy Targets Revenue of \$1.00 Per Share through US Acquisition Platform

On March 21, 2019 the Company announced expansion of its acquisition targets into the US market.

Paul Ghezzi, CEO of Kontrol Energy commented: “With 6 acquisitions completed and our 7th announced on March 14, 2019, we are now turning our focus to US acquisitions. Through our wholly owned subsidiaries, Kontrol already has a presence in the US along with a growing customer base.” Mr. Ghezzi further stated, “Accelerating our US sales and market presence is part of our strategic plan for 2019 and will undoubtedly provide us the opportunity to grow exponentially.”

Acquisition Targets

Kontrol is targeting companies that operate in the building automation systems, internet of things (IoT) and HVAC technology sector.

“Our target acquisitions must have at least 50% of their annual revenues as recurring and have an established large cap customer base which will have cross revenue synergies.” continued Paul Ghezzi. “We anticipate making our first US acquisition in the next six to nine months.”

Capital Structure

Kontrol currently has 29,074,473 commons shares outstanding and 33,577,540 fully diluted. Kontrol is targeting between \$32 Million and \$33 Million in revenue run rate for the end of 2019 or approximately \$1 per share in revenue. Through a combination of debt and equity Kontrol has been able to complete accretive acquisitions while minimizing common shareholder dilution.

Kontrol Energy and Toyota Tsusho Canada Inc. Announce a Smart Factory Strategic Partnership for North American Markets

On March 25, 2019 Kontrol and Toyota Tsusho Canada Inc. 'TTCI' announced they have signed an agreement to implement Smart Factory technology solutions combining Kontrol's Internet of Things (IoT) hardware and software solutions with TTCI's existing production, operating improvement platforms,

and power generation / HVAC products for the North American automobile and parts OEMs.

"We are pleased to enter a significant new vertical market opportunity with a strong global partner in TTCl," said Paul Ghezzi, CEO of Kontrol Energy Corp. "Working in partnership with a global industrial leader such as Toyota Tsusho also provides us with an opportunity to scale our technology solutions across a large potential global customer base."

"We selected Kontrol as our partner in the Smart Factory initiatives due to their extensive experience in developing technology solutions which integrate IoT hardware and software to create a smart environment to optimize operating efficiencies. This agreement with Kontrol will enable us to deliver production and energy efficiencies and give our customers a technology solution to drive down their costs and gain a competitive advantage," commented Mr. Hidetoshi Tada, President of TTCl.

Under the agreement, Kontrol and TTCl intend to establish a joint venture company to provide technology solutions and services to OEMs in the automotive sector to optimize production and manage energy in real-time. A focus on optimizing production and energy management to improve operating efficiencies and reduce operating costs through digitization, real-time data analysis and machine learning will provide global OEMs with a compelling integrated solution. More specifically, Kontrol will design and provide monitoring software, quality assurance and technical support to TTCl and its customers, and design and install building automation systems and heating and ventilation equipment, while TTCl will procure customers, conduct engineering and installation and after-sales services with customers. The agreement does not prescribe specific timelines or milestones or revenues, but initial pilots are expected to begin in April 2019, with the goal of scaling the offering across North America in 2019. Any profits from the joint venture would be shared between Kontrol and TTCl on a pro rata basis based on services provided by each of Kontrol and TTCl. A more comprehensive news release will be issued once the pilot phase is complete and a definitive agreement is signed.

According to MarketsandMarkets.com, the smart factory market is expected to reach USD 358.01 Billion by 2023. Smart factory refers to various fully-integrated automation solutions adopted for manufacturing facilities. A fully optimized factory can provide a competitive advantage to OEMs seeking to reduce their overall operating costs and improve their profitability.

About Toyota Tsusho Corporation

TTCl is a wholly owned subsidiary of Toyota Tsusho America, Inc. and operates with approximately \$1 Billion in annual revenues. The ultimate parent company of TTCl is Toyota Tsusho Corporation, the trading affiliate of the Toyota Group of Companies. Toyota Tsusho Corporation ("TTC") was founded in 1948 as the trading company for the Toyota Group. Today, TTC is a highly diversified company with seven operating divisions and more than 1,000

subsidiaries and affiliated companies. The TTC group of companies engage in various business enterprises in more than 120 countries and employ approximately 58,000 members worldwide, all striving to contribute to the creation of prosperous societies.

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
Kristian Lavereau – COO and Director
Andrew Bowerbank – Director
Steve Smith – Director
Geoff LaFleur - Director

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.

Kontrol Energy creates solutions and Internet of Things (IoT) enabled technologies leader in energy efficiency through IOT, Cloud, Blockchain and SaaS technology, designed to lower the energy consumption of buildings and optimize energy management while providing a corresponding reduction in Green House Gas (GHG) emissions.

Through a disciplined mergers and acquisitions strategy, combined with organic growth, Kontrol Energy Corp. intends to provide market-based energy solutions to our customers designed to reduce their overall cost of energy and their GHG emissions.

Kontrol's service offerings include deep energy retrofits, implementation of distributed generation systems, energy analytics and carbon reduction.

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.

None.

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.

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

The Issuer Company continues to carry on business in the energy efficiency sector with a growing new customer base that is mainly comprised of commercial energy consumers.

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.

None.

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.

8% Unsecured Debenture balance as at March 31, 2019 is \$5,245,000. The debenture will bear interest at a rate of 8% per annum, payable monthly in arrears and will mature on October 31, 2019. Please refer to the Private Placement and Exchange of Debentures announcement dated March 13, 2019 for more information.

7% Unsecured Debenture balance as at March 31, 2019 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.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Options March 15, 2019	145,000	Grant of Stock Options to Directors, Officers, and Employees of the Company, with an exercise price of \$0.80	\$116,000 Working capital

(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.

Cost of electricity has risen substantially across North America over the last decade. In addition, following the COP21 Paris Accord numerous states in the US and Provinces in Canada have either imposed a carbon tax policy or are in the late stages of creating such policies. Kontrol Energy Corp. intends to provide 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.

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 April 5, 2019

Claudio Del Vasto
Name of Director or Senior
Officer



Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Kontrol Energy Corp.	For Month End March 2019	Date of Report YY/MM/DD 19/04/05
Issuer Address 180 Jardin Drive, Unit#9, Vaughan, ON L4K 1X8		
City/Province/Postal Code Mississauga, Ontario	Issuer Fax No. ()	Issuer Telephone No. (905) 766.0400
Contact Name Claudio Del Vasto	Contact Position CFO	Contact Telephone No. (905) 766.0400 x1002
Contact Email Address admin@kontrolenergy.com	Web Site Address www.kontrolenergy.com	