

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **KNR**

Number of Outstanding Listed Securities: **34,851,807 common shares and 5,954,901 common shares reserved for issuance**

Date: **October 13, 2020**

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 provides COVID-19 Technology Update

On, September 3, 2020 Kontrol Energy Corp. ("**Kontrol**" or "**Company**") provided an update on its Kontrol BioCloud (or "**BioCloud**") technology.

Lab Testing with Prototype and Dormant COVID

During the week of August 31, 2020 Kontrol continued lab testing on its fully operating prototype to validate certain components required for commercialization of BioCloud. The testing continues to demonstrate positive results as previously reported in the press release dated August 27, 2020.

"Through additional testing we are in a position where we can determine that our detection chamber and fully operational prototype continue to deliver positive results against COVID-19 in its dormant form," says Paul Ghezzi, CEO Kontrol. "In addition, we have enhanced supply chain certainty over all material components required for commercialization."

Live COVID-19 Testing

The live COVID-19 testing has been rescheduled to the week of September 8th in order to secure ample time slots in the independent lab.

Prototypes and Function Units

To align with the completion of COVID-19 live testing, Kontrol anticipates having 5 functioning BioCloud units that can operate in real-time in the coming weeks.

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. It can be an important technology which supports the entire system of individual testing and contact tracing.

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) at this time.

Kontrol Engages sagecomm to Market BioCloud

On September 4, 2020 the Company announced that sagecomm, a leading marketing communications firm, has been engaged to share the BioCloud story across the country.

"Following the completion of several important development milestones we feel the time is appropriate to share our story and our technology development to a larger audience through the media," says Paul Ghezzi, CEO of Kontrol. "We look forward to working with the sagecomm team."

About sagecomm

[sagecomm](#) is a leading strategic marketing and communications firm whose principals have more than 20 years of progressive experience in marketing-communications in both public and private environments, including education, technology, healthcare, banking, non-profit, and government sectors.

"We are impressed with the Kontrol team and excited about the potential of BioCloud and look forward to creating a growing audience for Kontrol," added Jeff Sage, Co-Founder and Senior Strategist at sagecomm.

Kontrol's COVID-19 Technology receives positive lab results for live COVID-19 testing

On September 10, 2020 the Company provided an update on its Kontrol BioCloud (or "BioCloud") technology.

Lab Testing with Live Virus

Kontrol has received positive lab results for BioCloud testing against the live virus that causes COVID-19. This positive result follows two successful tests against the dormant SARS-CoV-2 virus (see press release dated August 10th, 2020 and press release dated August 27th, 2020).

"We are very pleased that through a methodical approach we have been able to successfully test our technology with the live virus causing COVID-19 and will turn our focus to commercialization of BioCloud," says Paul Ghezzi, CEO of Kontrol. "It has been a long journey to get to this point since the initial concept design in March 2020 and through the great efforts of our team we look forward to delivering a safe space technology solution."

"This technology can improve our surveillance of SARS-CoV-2 by monitoring air quality in multiple settings."

Dr. Jimmy D. Dikeakos, Ph.D

“This technology will allow for measurement of many different viruses, bacteria, and fungi beyond the immediate need for the virus that causes COVID-19.”

Dr. David Heinrichs, Ph.D

Commercialization

Kontrol will begin the commercialization process of BioCloud by initiating an application to the CSA Group. CSA is a leader in Standards Development and in Testing, Inspection and Certification around the world including Canada, the U.S., Europe and Asia. The CSA registered mark shows that a product has been independently tested and certified to meet recognized standards for safety or performance. Kontrol anticipates that a CSA approval can take from 30 to 45 days to complete and Kontrol has a history of working with CSA on various air quality and emission products. During the process of CSA approval, Kontrol will seek to establish lower detection limits of the COVID-19 virus. Lower detection limit specifications are part of the commercial specifications that Kontrol will deliver for a fully commercialized product.

“We are very pleased to start the process of sharing our technology with the market through the commencement of commercialization,” says Gary Saunders, VP of Kontrol. “We want to thank our lab partners for all of their expertise and dedication. The lab procedures involved significant planning and preparation to execute meticulous testing against the live COVID-19 virus. We look forward to sharing our results with all levels of Government in the coming days and weeks ahead.”

Manufacturing Capacity

Kontrol has commenced discussions with two global outsource contract manufacturers who can provide Kontrol with external manufacturing capacity. Kontrol is not making any statements or assumptions about potential revenues, however, Kontrol is planning for up to 20,000 BioCloud units per month as manufacturing capacity. This is part of Kontrol’s prudent overall planning and access to manufacturing capability.

Kontrol provides Corporate Update

On September 23, 2020 the Company provided a corporate update.

“Our team at Kontrol has been very busy since the completion of pre-commercialization testing through the independent labs,” says Paul Ghezzi, CEO of Kontrol. “We have now moved to the commercialization phase for the **Kontrol BioCloud® analyzer** ("BioCloud analyzer" or "BioCloud") which includes further lab testing to establish the lower detection limits. In addition, we are pleased to share that BioCloud is receiving interest from potential customers and distribution partners and we are selecting key suppliers for commercialization. We are in discussions with provincial and federal government entities regarding contributions to commercialization funding and potential future procurement. Our internal goal is to have BioCloud units commercially available in November 2020.”

Commercialization of BioCloud

As part of BioCloud's commercialization plans, Kontrol will provide lower detection limits and operating specifications for the analyzer. Initial expectations, based on lab testing completed to date, is that BioCloud will be effective in small to medium space settings with 3 or more people, and therefore would be suitable for applications in many environments such as classrooms, offices, airplanes, trains, buses, long-term care facilities and hospitals.

Like all electrical products, BioCloud is required to operate with a CSA approval in Canada. The Company is in the process of seeking CSA approvals as part of commercialization. CSA is a leader in Standards Development and in Testing, Inspection and Certification around the world including Canada, the U.S., Europe and Asia. The CSA registered mark shows that a product has been independently tested and certified to meet recognized standards for safety or performance. The Company has a long history of success in achieving CSA approvals in our established continuous emissions business.

Operating Subsidiaries, Trademarks and Patents

Kontrol BioCloud Inc., which was recently incorporated, is a wholly owned subsidiary of Kontrol, and will be the primary sales and marketing entity for BioCloud. CEM Specialties Inc. ("CEMSI"), also a wholly owned operating subsidiary of Kontrol, will be the primary research, development, and integration entity for BioCloud.

Kontrol has commenced the trademark of the term Safe Space Technology and has initiated the patent registration for its intellectual property related to BioCloud.

Securing Supply Chain

Kontrol has selected a number of suppliers that will form part of BioCloud supply chain, and we will be announcing those names in the coming weeks, following the issuance of applicable purchase orders.

"While we are not making any claims about revenue at this time, we are building our global supply chain with the goal of being able to supply the market with up to 20,000 units per month," says Gary Saunders VP of Kontrol. "We plan to have this substantially completed over the coming weeks."

Strengthened Balance Sheet and Discussions for Additional Government Funding

As of September 22, 2020, the Company has received approximately \$1 Million in cash from the exercise of common share options and warrants which has strengthened Kontrol's balance sheet to advance BioCloud's commercialization.

Kontrol wins order for smart building technology; and The Globe and Mail ranks Kontrol 81st in Canada's top growing companies 2020

On September 28, 2020 the Company announced that it won a new order for its smart building technology across four buildings and has been recognized as one of Canada's top growing companies by the Globe and Mail Top Growing Companies 2020.

New Smart Building Technology Win

Following a number of pilots for its SmartSuite® technology the Company has received an order for four apartment buildings located in Ontario, Canada. The contract win was awarded after a comprehensive Request for Proposal (RFP) process that involved other competitors. For industry competitive purposes revenue details and size of the order will not be disclosed.

“We’ve selected Kontrol and their SmartSuite® technology to help us control, manage and reduce in-suite heating costs in four of our multi-unit residential (apartment) properties in Ontario,” says Cam Murchison, Vice President, Property Standards at Q Residential (a leading private real estate asset manager and operator). “Their smart building technology attracted better than expected incentives from the local utility and allows us to understand what is happening within the suites when it comes to temperatures and open windows and doors across the four buildings. With their system providing cloud access to in-suite temperatures and settings, using our mobile devices and laptops, we no longer need to enter our tenant’s spaces to troubleshoot and make changes, allowing us to avoid unnecessary and expensive truck rolls. This is a big advantage and benefit under the environment we now operate in.”

Globe and Mail Ranks Kontrol 81st in Top 400 Growing Companies

On September 25th, The Globe and Mail announced its second annual ranking of [Canada's Top Growing Companies](#). The 400 companies cover all industry sectors and were ranked on their three-year revenue growth. Launched in 2019, Canada's Top Growing Companies editorial ranking aims to celebrate entrepreneurial achievement in Canada by identifying and amplifying the success of growth-minded, private and public businesses in Canada. The Globe and Mail refers to the list as “The next generation: the 400 boldest businesses in the country.” Kontrol was ranked number 81.

Name Change initiated to Kontrol Technologies Inc.

Following the company's Annual General Meeting on August 28, 2020 the Company has initiated a name change to Kontrol Technologies Inc. from Kontrol Energy Corp. The name change will better reflect the Company's brand and its focus on developing and deploying a comprehensive portfolio of technologies and solutions for smart buildings, smart cities, and safe spaces. The name change will require customary approvals and will take approximately one month to complete.

Update to Prior Press Release

The press release dated August 5th, 2020 is updated to state that CEM Specialties Inc. (CEMSI), a wholly owned operating subsidiary of Kontrol, is in receipt of advisory services and up to \$50,000 in research and development funding from National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to accelerate its new Covid-19 testing technology, the Kontrol BioCloud® analyzer ("BioCloud analyzer" or "BioCloud").

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
Ernest William Belyea – Director
Joanna Osawe - 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, 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 retrofit automation, 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.

The Company may enter into an agreement or agreements in connection to the private placement offerings, the Company proposes to retain one or more non-exclusive registered securities dealers to effect sales of, or act as finders of subscribers in respect of, the Units (the "Finders"); and to pay a selling commission or finder's fee to such Finders in cash and/or Broker Warrant Shares to purchase Shares of the Company for a price per share determined the Company and subject to compliance with applicable securities law and receipt of applicable regulatory approval, if any. Noting that the Broker's Warrant Shares are governed by the provisions of the Canadian Securities Exchange Policy 6 – Distributions.

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 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.

Kontrol BioCloud

The Company is developing its BioCloud technology and has achieved several significant milestones, including the initial funding from the Government, positive testing of the detection mechanism, and positive testing of the BioCloud fully operational prototype. The Company seeks to complete testing with the live COVID-19 virus during the week of August 31 and will provide those results when available. The Company's objective is to have BioCloud commercially available to potential customers in 2020. There is no assurance that the Company can achieve this internal goal.

About Kontrol BioCloud

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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.

2020 8% Unsecured Debenture balance as at September 30, 2020 is \$5,711,000. The debenture will bear interest at a rate of 8% per annum, payable monthly in arrears and will mature on October 31, 2020. Please refer to the Private Placement and Exchange of Debentures announcement dated March 13, 2019 for more information.

7% Unsecured Debenture balance as at September 30, 2020 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 September 30, 2020 is \$423,000 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 September 30, 2020 is \$1,999,000 The debenture will bear interest at a rate of 8% per annum, payable semi-annually and will mature on June 30, 2023.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Stock Options (September 4, 2020 Incentive Stock Options)	60,000	Incentive Stock Options. Holder of this security must not trade this security before the vesting terms specified below. Expires September 4, 2025. Exercisable at \$2.15	\$129,000 to be used for general corporate purposes (if exercised)

Common Shares (September 2020) Exercised Stock Options	731,405	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 \$0.55 - \$1.25 per share.	\$503,474.50 to be used for general corporate purposes
Common Shares (September 2020) Exercised Broker Warrants	1,508,467	Exercised Warrants in connection to Asset Acquisition and Lender Agreements, Broker/Finders Warrants and Private Placement purchased warrant, exercised at a price of \$0.70 - \$1.45 per share.	\$1,140,737.16 to be used for general corporate purposes
Common Shares (September 30, 2020) Conversion of 2024 Convertible Debentures	1,068,750	\$855,000 of 2024 8% Convertible Debentures were converted at a price of \$0.80 per share.	Not applicable

(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 **October 14, 2020**

Claudio Del Vasto
Name of Director or Senior
Officer

Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer Kontrol Energy Corp.	For Month End September 2020	Date of Report YY/MM/DD 2020/10/14
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 x1002
Contact Email Address admin@kontrolenergy.com	Web Site Address www.kontrolenergy.com	

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