

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. Name and Address of Company

Kontrol Energy Corp.
180 Jardin Drive, Unit 9
Vaughan, ON L4K 1X8

2. Date of Material Change

July 31st, 2020

3. News Release

The news release attached hereto as Schedule "A" announcing the material change described herein was released through Business Wire at Toronto, Ontario on August 4th, 2020.

4. Summary of Material Change

As of July 31st, 2020, Kontrol Energy Corp. ("Kontrol") has the acquired 100% of the issued and outstanding shares and all the Intellectual Property ("IP") New Found Air (the "Company" or "NFA") pursuant to the terms outlined in an Share Purchase Agreement and other ancillary documents.

On August 4th, 2020 Kontrol Energy Corp. (the "Kontrol") announced that it has acquired 100% of the issued and outstanding shares and all the Intellectual Property ("IP") New Found Air. (the "Company" or "NFA"). NFA leads a building energy and service platform that ensures the effective monitoring, operation and service of essential heating, cooling, ventilation, and utility systems. The operations of the Company consist of providing HVAC services for commercial, industrial and multi-residential units, including installation, monitoring and related services. (the "Business").

NFA will be an operating subsidiary of the Kontrol and will carry on the business of a building energy and service platform that ensures the effective operation and maintenance of essential heating, cooling, ventilation, and utility system.

NFA provides its solutions to approximately 100 buildings, which in aggregate span more than 25 Million square feet of real estate

In some cases, Kontrol and NFA are currently providing separate services and solutions to the same customer. Together, Kontrol and NFA will focus on efficiently scaling recurring revenues in software, Internet of Things and services across their larger combined customer base and building footprint.

5. Full Description of Material Change

5.1 Full Description of Material Change

The Purchase Price payable by the Kontrol Energy Corp. (the "Purchaser") to NFA. (the "Vendor") under the Share Purchase Agreement shall be \$\$2.7 Million; paid as \$1.55 Million in cash, \$750,000 vendor take-back loan having performance conditions, and the issuance of 727,272 Kontrol common shares at a deemed price of \$0.55 cents per share.

The issuance of 727,272 common shares in the capital of the Purchaser (collectively, the "Escrow Shares" at a price of 55 cents per common share for a total of four hundred thousand dollars (\$400,000) to the Vendor or as may otherwise directed in writing to the Purchaser. The Escrow Shares shall be held in escrow and proportionately released from escrow in the amount of 12 equal issuances every 3 months following July 31, 2020 (the "Closing Date").

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

The following is the name and telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Paul Ghezzi
Chief Executive Officer
905.766.0400,
paul@kontrolenergy.com

9. Date of Report

August 4th, 2020

Schedule "A"



Kontrol Energy Completes Acquisition of New Found Air

- Acquisition Adds Recurring Revenue Service Platform-

Toronto, August 4th, 2020 / ACCESSWIRE / Kontrol Energy Corp. ([CSE: KNR](#), [OTCQB: KNRLF](#), [FSE:1K8](#)) ("Kontrol" or "Company") announces that it has completed the acquisition of New Found Air ("NFA"), previously [announced on May 19, 2020](#). NFA leads a building energy and service platform that ensures the effective monitoring, operation and service of essential heating, cooling, ventilation, and utility systems. The operations of NFA are diversified across the commercial, industrial, and multi-residential building sector.

"By closing the NFA acquisition we are well positioned to expand our technology and smart buildings solutions," says Paul Ghezzi, CEO Kontrol Energy. "NFA has a blue-chip customer base and a service business with growing recurring revenues. These customers represent a new organic growth opportunity for Kontrol's products and services."

Kontrol has acquired 100% of the issued and outstanding shares of NFA for consideration of \$2.7 Million; paid as \$1.55 Million in cash, \$750,000 vendor take-back loan having performance conditions, and the issuance of 727,272 Kontrol common shares at a deemed price of \$0.55 cents per share.

NFA will initially be a separate operating subsidiary of Kontrol with an established strong management team which will remain in place. Over the coming six months there will be a transition to a full integration within Kontrol's operating platform and the potential for cost synergies based on the consolidation of staff and administrative systems.

About Kontrol Energy

Kontrol Energy Corp. (CSE: KNR) (OTCQB: KNRLF) (FSE: 1K8) is a leader in the energy efficiency sector through IoT, Cloud and SaaS technology. With a disciplined mergers and acquisition strategy, combined with organic growth, Kontrol Energy Corp. provides 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.

Kontrol Energy is one of Canada's fastest growing companies in 2018 and 2019 as ranked by Canadian Business and Maclean's.



Additional information about Kontrol Energy Corp. can be found on its website at www.kontrolenergy.com and by reviewing its profile on SEDAR at: www.sedar.com



For further information, contact:

Paul Ghezzi, Chief Executive Officer
paul@kontrolenergy.com or admin@kontrolenergy.com
Kontrol Energy Corp.
180 Jardin Drive, Unit 9, Vaughan, ON L4K 1X8
Tel: 905.766.0400, Toll free: 1.844.566.8123

Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward Looking Statements:

Certain information included in this press release, including information relating to future financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements regarding possible future acquisitions, organic growth, the provision of solutions to customers and Greenhouse Gas emissions reductions, proposed financial savings and sustainable energy benefits and energy monitoring. The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact of COVID-19 on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief are based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that suitable businesses and technologies for acquisition and/or investment will be available, that such acquisitions and or investment transactions will be concluded, that sufficient capital will be available to the Company, that

technology will be as effective as anticipated, that organic growth will occur, and others. 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, lack of acquisition and investment opportunities or that such opportunities may not be concluded on reasonable terms, or at all, 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. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company 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, except as required under applicable securities law.