FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

   Kontrol Technologies Corp.
   11 Cidermill Ave.
   Suite 201
   Vaughan, ON
   L4K 4B6

2. **Date of Material Change**

   June 24, 2024

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 June 24, 2024.

4. **Summary of Material Change**

   On June 12, 2024, Kontrol Technologies Corp. announced it had entered into a definitive Asset Purchase Agreement for the sale of all operational assets and the assumption of certain liabilities of its wholly owned operating subsidiary CEM Specialties Inc. based upon the terms and conditions contained in the Asset Purchase Agreement. The transaction is considered material.

   On June 24, 2024, Kontrol Technologies Corp. announced that is had completed the sale of its operating subsidiary on the terms disclosed in its press release dated June 12, 2024.

5. **Full Description of Material Change**

   5.1 Full Description of Material Change

   On June 24, 2024, Kontrol Technologies Corp. announced that is had completed the sale of its operating subsidiary on the terms disclosed in its press release dated June 12, 2024.

   The Company entered into a definitive Asset Purchase Agreement for the sale of all the operational assets and the assumption of certain liabilities of its wholly owned operating subsidiary CEM Specialties Inc. (CEMSI). The financial closing date was June 24, 2024. The sale price is $16.25 million minus estimated postclosing adjustments and Kontrol will retain net working capital estimated at $1.25 million. Total estimated proceeds to Kontrol including retained working capital is approximately $17.3 million. Consideration received at the financial closing date were cash proceeds of approximately $16 million minus adjustment and indemnity holdbacks totaling $1.2 million and minus closing costs.

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.

Claudio Del Vasto
Chief Financial Officer
905.766.0400
claudio@kontrolcorp.com

9. Date of Report

June 28, 2024

Schedule "A"

Kontrol Technologies Provides Corporate Update

Toronto, Canada --- June 24, 2024 --- Kontrol Technologies Corp. (Cboe CA:KNR) (OTCQB:KNRLF) (FSE:1K8) (**"Kontrol"** or the **"Company"**) is pleased to announced that is has completed the sale of its operating subsidiary on the terms disclosed in its press release dated June 12, 2024.

Kontrol Technologies Corp.

Kontrol Technologies Corp., a Canadian public company, is a leader in smart buildings and cities and provides solutions and services to its customers to improve energy management, monitor continuous emissions and accelerate the sustainability of all buildings.

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

Contacts:

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

Forward-Looking Statements

This news release 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. Forward-looking information contained in this press releases *includes, but is not limited to the future operations of the Company.*

Where Kontrol 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 the Company will have sufficient financial and other resources to fulfil expectations with respect to future operations and meet contractual payment obligations.

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 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.