

## **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**

January 16, 2019

**3. News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was released through Accesswire at Toronto, Ontario on January 16, 2019.

**4. Summary of Material Change**

**On January 16, 2019 Kontrol Energy Corp. (the "Company") announced that it has purchased the Intellectual Property ("IP") and Patents of Dimax Controls Canada Inc. ("Dimax") and rebranded the energy software technology as Kontrol SmartSite®. The IP which, among other things, is used for the monitoring of HVAC systems through software and cloud solutions technology (the ASSET);**

**Intellectual Property (IP) means all patents and inventions, trade-marks, all trade names and styles, including the trade names or styles related to the Products, logos and designs, trade secrets, technical information, engineering procedures, designs, know-how and processes (whether confidential or otherwise), testing procedures, internet protocol designs, all computer software specifically related to the Asset, all related codes, specifications, enhancements, modifications, documentation, and the development of the Asset to its current state.**

**5. Full Description of Material Change**

**5.1 Full Description of Material Change**

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**monitoring of HVAC systems through software and cloud solutions technology (the ASSET);**

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**Following the successful integration of the MCW Dimax team and operating assets into Kontrol Energy Group, the acquisition of the IP and patents will enable further technology development. The Kontrol SmartSite® technology will join Kontrol SmartSuite® in a growing portfolio of IOT enabled energy and property technologies for the Company.**

**Following the completion of the transaction Dimax will be rebranded as Kontrol SmartSite®. Kontrol SmartSite® is a building energy software technology designed to assist in the operation and management of complex heating, ventilation and cooling systems for large multi-residential, commercial, and mission critical buildings. Kontrol SmartSite® operates as a Software as a Service (SaaS) platform and is highly scalable. Kontrol SmartSite® currently operates in more than 200 buildings, spanning more than 20 Million square feet of real estate.**

**The Purchase Price payable by the Kontrol Energy Group Inc. (the “Purchaser”) to the Dimax Controls Canada Inc. (the “Vendor”) under the Purchase Agreement for the Purchased Assets shall be \$400,000 cash and 600,000 common shares of Kontrol Energy Corp. (the Parent company of Kontrol Energy Group Inc.).**

**The purchase price for IP and Patents Assets is 600,000 common shares of Kontrol at 70 cents per share and \$400,000 in cash to be paid over the course of 18 months, for a combined value of \$820,000. The common shares will be subject to a 3-year proportional escrow. A portion of the \$400,000 cash payment will be structured as a Vendor Take Back over 18 months.**

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](mailto:paul@kontrolenergy.com)

9. **Date of Report**

January 23, 2019

## Schedule "A"



# **Kontrol Energy Completes Acquisition of the IP and Patents of Dimax Controls Canada Inc. and rebrands as Kontrol SmartSite®**

**TORONTO, ON / ACCESSWIRE / January 16, 2019 / (CSE: KNR, FSE:1K8) ("Kontrol" or the "Company")** announces that it has purchased the IP and Patents of Dimax Controls Canada Inc. ("Dimax") and rebranded the energy software technology as **Kontrol SmartSite®**.

Following the successful acquisition of the operating assets of MCW Dimax Ltd. on April 30, 2018, Kontrol has now acquired the IP, formerly licensed to MCW Dimax Ltd., which includes 2 US patents and 1 Canadian patent. The transaction has been structured as an asset purchase.

"Following the successful integration of the MCW Dimax team and operating assets into Kontrol Energy Group, we are pleased to have now closed on the IP and patents which will enable further technology development," says Paul Ghezzi, CEO of Kontrol Energy. "The Kontrol SmartSite® technology now joins Kontrol SmartSuite® in our growing portfolio of IOT enabled energy and property technologies."

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Following the completion of the transaction Dimax will be rebranded as Kontrol SmartSite®. Kontrol SmartSite® is a building energy software technology designed to assist in the operation and management of complex heating, ventilation and cooling systems for large multi-residential, commercial, and mission critical buildings. Kontrol SmartSite® operates as a Software as a Service (SaaS) platform and is highly scalable. Kontrol SmartSite® currently operates in more than 200 buildings, spanning more than 20 Million square feet of real estate.

## **About Kontrol Energy**

**Kontrol Energy Corp.** (CSE: KNR, 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 was recently announced as the 7<sup>th</sup> fastest growing Startup in Canada by *Canadian Business* and *Maclean's*.



*Additional information about Kontrol Energy Corp. can be found on its website at [www.kontrolenergy.com](http://www.kontrolenergy.com) and by reviewing its profile on SEDAR at [www.sedar.com](http://www.sedar.com)*

SOURCE Kontrol Energy Corp.



For further information, contact us at [admin@kontrolenergy.com](mailto: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 the purchase of valuable IP and Patents which will enable further technology development; SmartSite® technology and SmartSuite®, information relating to the acquisition of energy analytics assets, increasing revenues, payments of holdback amounts, anticipated reoccurring revenue, the provision of solutions to customers to analyze the management of complex heating, ventilation and cooling systems, growth strategy, targeted expansion and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". The forward-looking statements in this press release are presented for the purpose of providing information about management's current expectations and plans and such information may not be appropriate for other purposes. 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 the acquisition will be successfully integrated into the Company and that its revenues will be consistent with the Company's expectations, 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.