

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Turnium Technology Group Inc. (the “Company”)  
3355 Grandview Hwy  
Vancouver, BC V5M 1Z5

**Item 2 - Date of Material Change**

August 22, 2024

**Item 3 News Release**

A news release, attached as Schedule “A”, was issued and disseminated on August 22, 2024 and filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

**Item 4 Summary of Material Change**

The Company has completed its previously announced acquisition of 100% of the issued and outstanding securities of Claratti Pty Ltd.; updated its Board of Directors & Officers for the addition of Doug Childress (Director & CEO) and Craig Pentland (Director) – both Claratti nominees, and the resignation of Derek Spratt (Director & CEO) and Peter Smyrniotis (Director); and completed its upsized non-brokered private placement of 11,139,303 Units for gross proceeds of CAD\$780,000.

**Item 5 Full Description of Material Change**

Please see the August 22, 2024 News Release attached as Schedule “A”.

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

Not applicable.

**Item 7 Omitted Information**

None.

**Item 8 Executive Officer**

The following senior officer of the Company is knowledgeable about the material change and this report:

Ralph Garcea, Chairman  
Email: [rgarcea@ttgi.io](mailto:rgarcea@ttgi.io)  
Phone: 1 416-304-9125

**Item 9 Date of Report**

August 26, 2024

## SCHEDULE "A"



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### **TURNIUM TECHNOLOGY GROUP INC. ANNOUNCES CLOSING OF ACQUISITION OF CLARATTI PTY LTD (FORMERLY, CLARATTI LIMITED) AND CONCURRENT NON-BROKERED PRIVATE PLACEMENT**

**August 22, 2024 – Vancouver, Canada** – Turnium Technology Group Inc. (TSX.V: TTGI; FSE:E48) (“**Turnium**” or the “**Company**”), an industry leader in software-defined wide area networking (SD-WAN) solutions, further to its news releases dated February 28, 2024 and May 30, 2024, announces that it has completed its acquisition (the “**Acquisition**”) of 100% of the issued and outstanding securities of Claratti Pty Ltd (formerly, Claratti Limited) (“**Claratti**”).

The Acquisition was completed pursuant to a definitive share purchase agreement dated May 30, 2024 (the “**Share Purchase Agreement**”) with Claratti and each of the securityholders of Claratti (the “**Vendors**”). Certain non-material terms of the Share Purchase Agreement were amended pursuant to an amending agreement between the Company and Claratti dated July 26, 2024 and a second amending agreement between the Company and Claratti dated as of August 22, 2024. As a result of the Acquisition, Claratti is now a wholly owned subsidiary of Turnium.

In connection with the Acquisition, the Company has issued to the Vendors 40,000,000 Class A Common shares in the capital of the Company (“**Consideration Shares**”) at a deemed price of CAD\$0.15 per Consideration Share. The Consideration Shares are subject to a four-month hold period under applicable securities laws expiring on December 23, 2024, along with a contractual resale restriction (the “**Contractual Hold Period**”), such that:

- (i) 25% of the issuable Consideration Shares are not subject to the Contractual Hold Period as of the completion of the Acquisition;
- (ii) 25% of the issuable Consideration Shares will be released from the Contractual Hold Period on the February 22, 2025;
- (iii) 25% of the issuable Consideration Shares will be released from the Contractual Hold Period on August 22, 2025; and
- (iv) the final 25% of the issuable Consideration Shares will be released from the Contractual Hold Period on February 22, 2026.

The Consideration Shares issued to certain Vendors who will become directors, officers or shareholders holding 10% or more of the issued and outstanding shares of the Company on a post-Acquisition basis will be subject to the TSX Venture Exchange’s (the “**Exchange**”) Exchange Hold Period, which will expire on December 23, 2024. Douglas Childress, who will become CEO of the Company post closing of the transaction, has also pledged all of his right, title and interest in and to 13,918,284 Consideration Shares beneficially owned by him to secure the payment and performance of Claratti in connection with certain outstanding debt of Claratti and Douglas Childress’ holding company in the aggregate principal amount of AUD\$3,545,000.

In addition to the Consideration Shares, the Vendors may be issued additional Class A Common shares in the capital of Turnium with an aggregate deemed value of up to CAD\$4.0 million upon the achievement of certain EBITDA projections, as more particularly described in the Company's news release dated May 30, 2024.

As a result of the Acquisition and the completion of the Concurrent Private Placement (as defined below), the Vendors now own an aggregate of approximately 24.40% of the issued and outstanding Class A Common shares of Turnium (the "**Common Shares**"). No new 10% holders of the Common Shares have been created pursuant to the Acquisition; however, in the event that the earnout payments under the Share Purchase Agreement are achieved, Doug Childress, who currently owns 15,175,830 Common Shares and may own up to 25,267,757 Common Shares upon full payment under the earnout, and Chuck Bartle, who currently owns 11,910,368 Common Shares and may own up to 19,830,764 Common Shares upon full payment under the earnout, may each become owners of 10% or more of the issued and outstanding Common Shares.

The Company's Board of Directors is now constituted of Doug Childress (Claratti nominee), Craig Pentland (Claratti nominee), Ralph Garcea (previous director of Turnium), Johan Arnet (previous director of Turnium), Erin Campbell (previous director of Turnium) and Jim Lovie (previous director of Turnium). The new senior management team of Turnium is comprised of Doug Childress (Chief Executive Officer) and Konstantin Lichtenwald (Chief Financial Officer). For additional details regarding the new directors and senior management team of the Company, please refer to the section titled "Proposed Directors and Senior Management Team" in the Company's news release dated May 30, 2024.

Turnium is continuing as a Tier 2 Technology Issuer on the Exchange.

### **Concurrent Private Placement**

The Company also announces that it has completed its previously announced upsized non-brokered private placement (the "**Concurrent Private Placement**") of 11,139,303 units (each a "**Unit**") at a price of CAD \$0.07 per Unit for aggregate proceeds of approximately CAD\$780,000. Each Unit is comprised of one common share of the Company (a "**Unit Share**") and one-half of one common share purchase warrant (a "**Warrant**").

Each whole Warrant is exercisable into one common share in the capital of the Company at an exercise price of CAD\$0.105 per share (the "**Exercise Price**") until August 22, 2026 (the "**Expiry Date**").

In connection with the Concurrent Private Placement, the Company paid certain arm's length finders a cash commission in the aggregate amount of CAD\$23,170 and issued an aggregate of 331,000 non-transferrable finder's warrants of the Company exercisable at any time prior to the Expiry Date, with each such finder's warrant entitling the holder thereof to purchase one Common Share, at an exercise price equal to the Exercise Price, subject to adjustment in certain events.

The securities issued pursuant to the Concurrent Private Placement are subject to a hold period under applicable securities laws, which will expire on December 23, 2024.

The net proceeds of the Concurrent Private Placement have been allocated towards expenses related to the Acquisition and working capital requirements for the six-month period after the Acquisition.

## **TSX Venture Exchange Acceptance**

The Exchange has conditionally accepted the Acquisition and the Concurrent Financing. The Acquisition and the Concurrent Financing remain subject to the final acceptance of the Exchange.

## **About Turnium Technology Group Inc.**

Turnium is a public, Exchange-listed company, which was incorporated on October 17, 2017 pursuant to the laws of the Province of British Columbia. We make internet connections more secure and reliable for businesses. Our proprietary software-defined wide area networking (SD-WAN) platform is used to deliver highly reliable and secure connections using standard internet, wireless, or low-earth orbit satellite services for maintaining uninterrupted internet connectivity. Compared to other options, our SD-WAN solution is easier to manage, more flexible and faster to deploy, and more cost-effective than virtual private network (VPN) solutions or the services offered by traditional telecommunication carriers.

Turnium delivers its SD-WAN solution as a white label, disaggregated software platform that OEM channel partners host, manage, brand, and price. Turnium is also available to Resellers as a Turnium-branded managed service. Turnium SD-WAN is sold through a channel partner program designed for Communications Service Providers, Internet and Managed Service Providers, System Integrators, and Value-Added Resellers.

## **About Claratti**

Claratti is an Australian unlisted public company (which converted to private company on June 28, 2024) registered in Western Australia since June 29, 2020. Claratti (through its wholly owned subsidiary, Intelligent IP Hosting Pty Ltd) is an Australian Communications and Media Authority (ACMA) licensed telecommunications carrier (#485), ISO27001:2013 (Certificate # 4294-16961-01) accredited provider of telecommunications services and managed IT and cybersecurity solutions for SMB and enterprise level customers. Claratti sells its products and services across Australia via direct client sales, referrals, wholesale partners and through white labelled offerings.

The business of Claratti began its life as Intelligent IP Hosting Pty Ltd 619 361 018 (“**Intelligent IP**”) on May 26, 2017 when it was co-founded by Mr. Doug Childress and Mr. Chuck Bartle. On June 30, 2020, Intelligent IP became a wholly owned subsidiary of Claratti as part of the group’s “top hat” restructure. The vision behind Claratti was to build a platform-style Technology-as-a-Service (TaaS) that could be sourced from a single vendor, thus bridging the disparate technical gaps between telecommunications, Internet Service Providers, Hardware, Software, and Consulting product and service providers. Step forward to 2024, where Claratti has established itself as a Tier 3 National carrier’s network, providing private cloud services, voice, video, managed services, managed security and a 24x7 global Network, IT and Security Operations Centre (NOC/SOC).

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## **Turnium Contact:**

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