

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Principal Technologies Inc. (the “**Company**”)
Registered Office Address: Suite 2500, 700 West Georgia Street
Vancouver, BC, V7Y 1B3

Item 2 Date of Material Change

December 15, 2025

Item 3 News Release

The Company disseminated a news release announcing the material change described herein through the news dissemination services of Cision (Canada Newswire) on December 15, 2025, and a copy was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

The Company announced that it has closed its non-brokered private placement financing (the “**Offering**”) with the issuance of 4,000,000 common shares of the Company (the “**Common Shares**”) at a price of \$0.30 per Common Share. The proceeds of \$1,200,000 raised by the Offering are intended to be used for general working capital purposes.

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

The Company announced that, further to its news release of November 27, 2025, the Company has closed its Offering with the issuance of 4,000,000 Common Shares at a price of \$0.30 per Common Share. The proceeds of \$1,200,000 raised by the Offering are intended to be used for general working capital purposes.

The Common Shares are subject to a statutory hold period expiring April 16, 2026, being the date that is four months and one day from the date of issuance in accordance with applicable Canadian securities legislation. The Offering remains subject to final acceptance by the TSX Venture Exchange.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

Related Party Participation in the Offering

A significant shareholder of the Company participated in the Offering by purchasing an aggregate of 1,000,000 of the Common Shares. The participation by Roman Leydolf, an insider of Principal, constituted a “related party transaction” as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities purchased by the insider, nor the

consideration for the securities paid by such insider, exceeded 25% of Principal's market capitalization. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable

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

The report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

For further information, please contact Jerry Trent, Chief Executive Officer and Director of the Company, at 587-225-2599 or via email to Office@principal-technologies.com.

Item 9 Date of Report

December 15, 2025