

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Eurocontrol Technics Group Inc. (the “Company”)
365 Bay Street, Suite 400
Toronto, Ontario
M5H 2V1

2. Date of Material Change

August 29, 2018

3. News Release

A press release disclosing the material change was released on August 29, 2018 through the facilities of Globe Newswire.

4. Summary of Material Change

On July 31, 2018, the Company announced its intention to discontinue operating in Israel through its indirect wholly-owned subsidiaries, Xenemetrix Limited (“Xenemetrix”), Cromptal Ltd. and XwinSys Technology Development Ltd. (collectively, the “Israeli Subsidiaries”) and on August 29, 2018, the Company announced that it has largely implemented those plans and as a result operations of the Israeli Subsidiaries have effectively ceased.

5. Full Description of Material Change

On July 31, 2018, the Company announced that it planned on discontinuing operating in Israel through its Israeli Subsidiaries. The board of directors of the Company, on the recommendation of its special committee, unanimously determined that this change was in the best interests of the Company, after measures taken by management to reduce operating costs and to create a viable model for continued operations of these entities had not produced results to justify further investment by the Company in these operations.

In connection with the operational changes, the Company and Xenemetrix entered into a comprehensive agreement with SICPA Finance SA (“SICPA Finance”), SICPA SA, and SICPA Global Fluids Integrity SA (“GFI”), pursuant to which the parties terminated the material agreements entered into between them in connection with the purchase and sale transaction (the “GFI Transaction”) in which SICPA Finance acquired GFI from the Company in January 2016. The termination agreement was entered into by the Company to help facilitate an orderly transition of its business, eliminate risk and to strengthen its short-term cash position. Under the terms of the agreement, SICPA Finance has agreed to pay the Company a total of \$3,400,000 in full satisfaction of all of the remaining net revenue based earn-out obligations owed by it to the Company in connection with the GFI Transaction, payable in installments of \$800,000, \$1,300,000 and \$1,300,000 on August 2, 2018, October 1, 2018 and January 3, 2019, respectively. Each of the parties have also agreed to terminate the related purchase agreement and exclusive supply agreement, and release each other from all claims and liabilities in connection therewith.

Schedule "A"

August 29, 2018 press release attached.

Eurocontrol Reports Second Quarter 2018 Results

Toronto, CANADA, August 29, 2018 - Eurocontrol Technics Group Inc. (TSX Venture: EUO; OTCQB: EUCTF) ("Eurocontrol" or the "Company"), announces that it has filed its interim financial statements and Management's Discussion and Analysis ("MD&A") for the second quarter ended June 30, 2018.

The second quarter results reflect a 47% decrease in fiscal year revenue to \$676,286 compared to \$1,268,811 for the interim period ended June 30, 2017 and a net loss of \$3,413,857 compared to the net loss of \$2,350,277 in 2017. EBITDA for the six month period ended June 30, 2018 decreased by \$811,041 to \$(3,585,447) compared to \$(2,774,406) for the corresponding period in 2017.

Since June 30, 2018, the balance sheet date of the Company's interim financial reporting period, on July 31, 2018, the Company announced that its board of directors had made the decision to discontinue the business operations of its three wholly-owned Israeli subsidiaries (collectively the "Israeli Subsidiaries"), Xenemetrix Ltd. ("Xenemetrix"), XwinSys Technology Development Ltd. ("XwinSys") and Cromptal Ltd. ("Cromptal"), and has since taken significant actions in furtherance of implementing this change. The Israeli Subsidiaries have effectively ceased all of their respective former operations (except, to the limited extent necessary to complete any remaining transitional items) and are no longer carrying on any active business. Notices have been given to all of the officers and employees of the Israeli Subsidiaries terminating their services.

Management continues to pursue a transformative transaction to maximize the value of its assets, which consist primarily of cash and the remaining amounts receivable of \$2.6 million pursuant to the previously announced agreement entered into between the Company and SICPA Finance and related companies (see press release of July 31, 2018). The Company has reviewed several potential transactions, is pursuing additional potential transactions and remains open to proposals.

For further information on Eurocontrol, please visit the Company's website at www.eurocontrol.ca or contact Paul Wood at (416) 361-2808 or pwood@eurocontrol.ca.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Schedule "B"

July 31, 2018 press release attached.

Eurocontrol Announces Major Operational Changes and Updates Strategic Process

Toronto, CANADA, July 31, 2018 - Eurocontrol Technics Group Inc. (TSX Venture: EUO; OTCQB: EUCTF) ("Eurocontrol" or the "Company") announces that it plans to discontinue operating in Israel through its indirect wholly-owned subsidiaries, Xenemetrix Limited ("Xenemetrix"), Cromptal Ltd. and XwinSys Technology Development Ltd. The board of directors of the Company, on the recommendation of its special committee, unanimously determined that this change is in the best interests of the Company, after measures taken by management to reduce operating costs and to create a viable model for continued operations of these entities have not produced results that justify further investment by the Company in these operations, or made available any superior alternative. As a result, the Company plans to continue to consider and evaluate strategic alternatives, including potential investment opportunities and other value-enhancing transactions, and remains focused on maintaining a strong balance sheet throughout this ongoing process.

The operating changes are expected to result in the termination of all employees and contractors in Israel. In addition, Doron Reinis will terminate his services as Chief Operating Officer and in due course as a director or officer of the Company's Israeli subsidiaries, and will assist in their wind down. As a part of this process, the Company is working with employees at the affected operations to ensure an orderly implementation of decisions.

"Our board has taken a hard look at our business and operations in an effort to improve performance and transform our Company. After a thorough review of our performance and investment in Israel and careful consideration of the implications of all options, management was unable to find a realistic scenario that would enable the Israeli subsidiaries to achieve sustained profitability in the coming years. With disappointment, our board of directors has determined that it is in the best interest of the Company and our shareholders to exit the Israeli market and focus on new opportunities for our business," said Paul Wood, the Company's Interim Chief Executive Officer.

In connection with these operational changes, the Company and Xenemetrix have entered into a comprehensive agreement with SICPA Finance SA ("SICPA Finance"), SICPA SA, and SICPA Global Fluids Integrity SA ("GFI"), pursuant to which the parties have terminated, with immediate effect, the surviving material agreements entered into between them in connection with the purchase and sale transaction (the "GFI Transaction") in which SICPA Finance acquired GFI from the Company in January 2016. The termination agreement was entered into by the Company to help facilitate an orderly transition of its business, eliminate risk and to strengthen its short-term cash position.

Under the terms of the agreement, SICPA Finance has agreed to pay the Company a total of \$3,400,000 in full satisfaction of all of the remaining net revenue based earn-out obligations owed by it to the Company in connection with the GFI Transaction, payable in installments of \$800,000, \$1,300,000 and \$1,300,000 on August 2, 2018, October 1, 2018 and January 3, 2019, respectively. Each of the parties have also agreed to terminate the related purchase agreement and exclusive supply agreement, and release each other from all claims and liabilities in connection therewith.

"We are pleased to have reached an agreement with SICPA as an important step in facilitating the transition of our business. While the amount of the termination payments that we will now receive from SICPA Finance represents a present value discount to the minimum earn-out amounts that were otherwise payable, we believe that the Company's near term improved cash position and, after the cash costs to discontinue Israeli operations, the expected significant

reduction in our operating expenses, will enhance value and provide greater flexibility in pursuing potential transactions to support the long-term growth of our Company.”

For further information on this press release, please contact Paul Wood at (416) 361-2808 or pwood@eurocontrol.ca.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Forward-Looking Statements - *This news release contains “forward-looking statements”. All statements, other than statements of historical fact included in this news release, regarding Eurocontrol’s strategy, future operations, possible strategic transactions, financial position, prospects, plans and objectives of management are forward-looking statements. When used in this press release, the words “plan,” “will,” “would,” “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Eurocontrol’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. As such, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits or negative impact they will have on Eurocontrol and its shareholders.*