

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

kneat.com, inc.
1969 Upper Water Street
Suite 2001, Purdy's Wharf Tower II
Halifax, Nova Scotia B3J 3R7

Item 2. Date of Material Change

September 23, 2024

Item 3. News Releases

A press release in the form of Schedule "A" attached hereto was disseminated on September 23, 2024 via Canada Newswire news service and subsequently filed on the System for Electronic Document Analysis and Retrieval (www.sedarplus.ca).

Item 4. Summary of Material Change

kneat.com, inc. (TSX:KSI) ("**Kneat**" or the "**Company**") has entered into an agreement with a syndicate of investment dealers led by Cormark Securities Inc. (the "**Underwriters**") pursuant to which the Underwriters have agreed to purchase 7,368,500 common shares (the "**Common Shares**") from the treasury of the Company, at a price of \$4.75 per Common Share and offer them to the public by way of short form prospectus for total gross proceeds of \$35,000,375 (the "**Offering**"). The Company has granted the Underwriters an option to purchase up to an additional 1,052,600 Common Shares of the Offering on the same terms exercisable at any time up to 30 days following the closing of the Offering, for market stabilization purposes and to cover over-allotments, if any.

The Company intends to use the net proceeds of the Offering for strategic initiatives in the areas of product development, partnerships and go to market, to strengthen its balance sheet and to provide options in relation to debt management.

Closing of the Offering is expected to occur on or about October 10, 2024 and is subject to regulatory approval including that of the Toronto Stock Exchange.

The Common Shares to be issued under the Offering will be offered by way of a short form prospectus in each of the Provinces of Canada, except Quebec, and may be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, and applicable state securities laws, and certain other jurisdictions outside of Canada and the United States.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule "A" attached.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The following officer of the Company may be contacted for further information:

Hugh Kavanagh, Chief Financial Officer

T: +353 61 203826

E: investors@kneat.com

Item 9. Date of Report

This report is dated this 24th day of September, 2024.

SCHEDULE "A"



Not for distribution to United States newswire services or for dissemination in the United States

Kneat Announces \$35.0 Million Bought Deal Public Offering

HALIFAX, Nova Scotia, September 23, 2024 – **kneat.com, inc.** (TSX:KSI) (“**Kneat**” or the “**Company**”) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by Cormark Securities Inc. (the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 7,368,500 common shares (the “**Common Shares**”) from the treasury of the Company, at a price of \$4.75 per Common Share (the “**Offering Price**”) and offer them to the public by way of short form prospectus for total gross proceeds of approximately \$35,000,375 (the “**Offering**”). The Company has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 1,052,600 Common Shares of the Offering on the same terms exercisable at any time up to 30 days following the closing of the Offering, for market stabilization purposes and to cover over-allotments, if any.

The Company intends to use the net proceeds of the offering for strategic initiatives in the areas of product development, partnerships and go to market, to strengthen its balance sheet and to provide options in relation to debt management.

Closing of the Offering is expected to occur on or about October 10, 2024 and is subject to regulatory approval including that of the Toronto Stock Exchange.

The Common Shares to be issued under the Offering will be offered by way of a short form prospectus in each of the Provinces of Canada, except Quebec, and may be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, and applicable state securities laws, and certain other jurisdictions outside of Canada and the United States.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the *United States Securities Act of 1933*, as amended, and such securities may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

About Kneat

Kneat Solutions provides leading companies in highly regulated industries with unparalleled efficiency in validation and compliance through its digital validation platform Kneat Gx. We lead the industry in customer satisfaction with an unblemished record for implementation, powered by our user-friendly design, expert support, and on-demand training academy. Kneat Gx is an industry-leading digital validation platform that enables highly regulated companies to manage any validation discipline from end-to-end. Kneat Gx is fully ISO 9001 and ISO 27001 certified, fully validated, and 21 CFR Part 11/Annex 11 compliant. Multiple independent customer studies show a 40% or more reduction in validation cycle times, nearly 20% faster speed to market, and 80% reduced changeover time. For more information visit www.kneat.com.

Cautionary and Forward-Looking Statements

Except for the statements of historical fact contained herein, certain information presented herein constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information relating to the proposed Offering and the use of proceeds. While such forward-looking statements are expressed by Kneat, as stated in this release, in good faith and believed by Kneat to have a reasonable basis, they are subject to important risks and uncertainties. As a result of these risks and uncertainties, the events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance, given that they involve risks and uncertainties. Kneat does not undertake any obligation to release publicly revisions to any forward-looking statement, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at an investors' own risk.

Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information:

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