

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Carl Data Solutions Inc. (the “**Company**”)
Suite 488 – 1090 West Georgia Street
Vancouver, BC V6E 3V7

Item 2 Date of Material Change

June 8, 2017

Item 3 News Release

The news release dated July 14, 2017 was disseminated through Marketwired.

Item 4 Summary of Material Change

Effective as of June 8, 2017, the Company and FlowWorks Inc., the Company’s wholly-owned subsidiary, entered into a settlement and release with Timothy Hicks, 5346 Investments, Ltd. and Kerr Wood Leidal Associates, Ltd., whereby the parties agreed to settle a lawsuit relating to the dissent by Mr. Hicks to the acquisition of FlowWorks, Inc. by the Company

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Effective as of June 8, 2017, the Company and FlowWorks Inc. (“**FlowWorks**”), the Company’s wholly-owned subsidiary, entered into a settlement and release agreement (the “**Settlement Agreement**”) with Timothy Hicks, 5346 Investments, Ltd. and Kerr Wood Leidal Associates, Ltd., whereby the parties agreed to settle a lawsuit relating to the dissent by Mr. Hicks to the acquisition of FlowWorks by the Company.

Pursuant to the Settlement Agreement, FlowWorks agreed to pay Mr. Hicks US\$1,000 within 30 days of the Settlement Agreement becoming effective (paid) and pay Mr. Hicks an additional US\$10,000 within 30 days of the Settlement Agreement becoming effective (paid). In addition, FlowWorks agreed to pay Mr. Hicks US\$100,000 within 90 days of the Settlement Agreement becoming effective.

In addition, pursuant to the Settlement Agreement, the Company is required to issue to Mr. Hicks:

- (a) 444,444 common shares of the Company (the “**First Tranche Shares**”) within five business days of the Settlement Agreement becoming effective (issued),
- (b) 444,444 common shares (the “**Second Tranche Shares**”) within ten business days of the Settlement Agreement becoming effective (issued), and
- (c) 44,444 common shares (the “**Third Tranche Shares**” and, together with the First Tranche Shares and the Second Tranche Shares, the “**Shares**”) within six months of the Settlement Agreement becoming effective.

The First Tranche Shares are subject to an escrow agreement between the Company, Mr. Hicks and Computershare Trust Company of Canada.

All of the Shares will be subject to a statutory hold period expiring on the date that is four months and one day after the date of issuance.

None of the Shares will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. 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.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Greg Johnston, President and Chief Executive Officer, 604.209.0034

Item 9 Date of Report

July 14, 2017

SCHEDULE "A"

News Release



CARL ANNOUNCES SETTLEMENT WITH RESPECT TO THE DISSENT TO THE ACQUISITION OF FLOWWORKS

July 14, 2017 – Vancouver, British Columbia – Carl Data Solutions Inc. (CSE: CRL, FSE: 7C5, OTC: CDTAF) (“Carl” or the “Company”), a developer of Big-Data-as-a-Service (BDaaS)-based solutions for data integration and business intelligence, is pleased to announce that effective as of June 8, 2017, the Company and FlowWorks Inc. (“FlowWorks”), the Company’s wholly-owned subsidiary, entered into a settlement and release agreement (the “Settlement Agreement”) with Timothy Hicks, 5346 Investments, Ltd. and Kerr Wood Leidal Associates, Ltd., whereby the parties agreed to settle a lawsuit relating to the dissent by Mr. Hicks to the acquisition of FlowWorks by the Company.

Pursuant to the Settlement Agreement, FlowWorks agreed to pay Mr. Hicks US\$1,000 within 30 days of the Settlement Agreement becoming effective (paid) and pay Mr. Hicks an additional US\$10,000 within 30 days of the Settlement Agreement becoming effective (paid). In addition, FlowWorks agreed to pay Mr. Hicks US\$100,000 within 90 days of the Settlement Agreement becoming effective.

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- (c) 44,444 common shares (the “Third Tranche Shares” and, together with the First Tranche Shares and the Second Tranche Shares, the “Shares”) within six months of the Settlement Agreement becoming effective.

The First Tranche Shares are subject to an escrow agreement between the Company, Mr. Hicks and Computershare Trust Company of Canada.

All of the Shares will be subject to a statutory hold period expiring on the date that is four months and one day after the date of issuance.

None of the Shares will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. 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.

About FlowWorks

FlowWorks is a powerful Software-as-a-Service (SaaS)-based application for collecting, monitoring and analyzing all types of environmental data. FlowWorks is flexible, affordable and easy-to-use compared to competing software packages. The FlowWorks Application has the unique ability to collect data from all types of monitoring equipment, gauges and sensor hardware, SCADA systems and other sources of public and private data to merge the information into a single platform to perform comprehensive analytics and reporting, saving time and money for the end user. More information on the FlowWorks Application can be found at www.FlowWorks.com.

About Carl Data Solutions Inc.

Carl Data Solutions Inc. is focused on providing next generation information collection, storage and analytics solutions for data-centric companies. Building on its recent acquisitions, Carl helps its clients analyze and understand all forms of environmental data through a powerful platform of data collection, monitoring, analysis and reporting tools.

Carl Data continues to develop applications to work with new cloud-based mass storage services and analytics tools (Big-Data-as-a-Service (BDaaS)) to provide scalability for municipalities, utilities and other industrial verticals. These data collection and storage methods allow the company to build smart Software-as-a-Service (SaaS)-based applications that can collect data from many diverse sources and provide deep insight for decision-making purposes. More information can be found at www.CarlSolutions.com.

On behalf of the Board of Directors:

Greg Johnston
President, Chief Executive Officer, Director
Carl Data Solutions Inc.

For further information please contact:

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Carl Data Solutions Inc.
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The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.