

**ADDED CAPITAL INC.**  
**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Added Capital Inc. (the “Corporation”)  
1 Adelaide Street East, Suite 801  
Toronto, ON M5C 2V9

**Item 2: Date of Material Change**

February 27, 2020.

**Item 3: News Release**

A news release was disseminated on February 27, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com), a copy of which is attached hereto as Schedule “A”.

**Item 4: Summary of Material Change**

The Corporation is reporting that its wholly owned subsidiary Red Light Holland Financing Inc. (“Finco”) completed a private placement offering of subscription receipts (each, a “Subscription Receipt”) at a price of \$0.06 per Subscription Receipt for gross proceeds of approximately \$3,500,000 (the “Financing”). Each Subscription Receipt entitles the holder thereof to receive, upon satisfaction of certain escrow release conditions on or before June 17, 2020, and without payment of additional consideration, one common share of Finco (an “Underlying Share”). If the escrow release conditions are satisfied on or before June 17, 2020, then each Underlying Share will be exchanged for one common share in the capital of the Corporation.

The gross proceeds of the Financing, less (i) 50% of the Finder’s Fee (as defined below) and the expenses of First Republic Capital Corporation (the “Finder”) incurred in connection with the Financing, which were paid to the Finder; and (ii) 50% of the gross proceeds, which were paid to the Corporation.

In connection with the Financing, the Finder received a cash commission equal to 8.0% of the aggregate gross proceeds from the Financing (the “Finder’s Fee”). Finco also issued to the Finder that number of compensation options (the “Compensation Options”) equal to 8.0% of the aggregate number of Subscription Receipts sold pursuant to the Financing. Each Compensation Option entitles the holder thereof to acquire one common share of Finco at an exercise price of \$0.06 for a period of 24 months.

**Item 5.1: Full Description of Material Change**

See attached news release at Schedule “A” to this report.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7: Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8: Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

Michael Lerner  
President, CEO and Director  
Tel: 416-710-4906  
Email: [mlerner10@gmail.com](mailto:mlerner10@gmail.com)

**Item 9: Date of Report**

This report is dated as of the 9<sup>th</sup> day of March, 2020.

**SCHEDULE "A"**

Please see attached.

## ADDED CAPITAL ANNOUNCES CLOSING OF RED LIGHT HOLLAND PRIVATE PLACEMENT

Toronto, ON – February 27, 2020 – Added Capital Inc. (“**Added Capital**” or the “**Company**”) is pleased to announce that its wholly owned subsidiary Red Light Holland Financing Inc. (“**Finco**”) completed a private placement offering of subscription receipts (each, a “**Subscription Receipt**”) at a price of \$0.06 per Subscription Receipt for gross proceeds of approximately \$3,500,000 (the “**Financing**”). The net proceeds of the Financing will be used for operational expansion, business development and working capital purposes.

Each Subscription Receipt entitles the holder thereof to receive, upon satisfaction of the Escrow Release Conditions (as defined below) on or before the Escrow Release Deadline (as defined below), and without payment of additional consideration, one common share of Finco (an “**Underlying Share**”). If the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline, then each Underlying Share will be exchanged for one common share in the capital of Added Capital (an “**Added Capital Share**”).

The gross proceeds of the Financing, less (i) 50% of the Finder’s Fee (as defined below) and the expenses of First Republic Capital Corporation (the “**Finder**”) incurred in connection with the Financing, which were paid to the Finder; and (iii) 50% of the gross proceeds, which were paid to the Company (the gross proceeds net of such deductions, the “**Escrowed Proceeds**”) were delivered to and held by an escrow agent (the “**Escrow Agent**”). The Escrowed Proceeds, together with all interest and other income earned thereon, are referred to herein as the “**Escrowed Funds**”. The remaining 50% of the Finder’s Fee will be released from escrow to the Finder from the Escrowed Funds and the balance of the Escrowed Funds will be released from escrow to the Company upon satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”) on or before 5:00 pm on June 17, 2020 (the “**Escrow Release Deadline**”). In the event that (i) the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline, or (ii) if prior to such time, the Company advises the Finder or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrow Agent will return to holders of Subscription Receipts an amount equal to gross proceeds of the Financing and their pro rata portion of any interest earned thereon. The Company will be responsible and liable to the holders of Subscription Receipts for any shortfall between the gross proceeds raised and the Escrowed Funds.

The Finder received a cash commission equal to 8.0% of the aggregate gross proceeds from the Financing (the “**Finder’s Fee**”). Finco also issued to the Finder that number of compensation options (the “**Compensation Options**”) equal to 8.0% of the aggregate number of Subscription Receipts sold pursuant to the Financing. Each Compensation Option entitles the holder thereof to acquire one common share of Finco at an exercise price of \$0.06 for a period of 24 months. If the Escrow Release Conditions have not been satisfied on or prior to the Escrow Deadline, then the Finder’s Fee will be reduced to the amount paid on the closing date and the Compensation Options will thereafter be cancelled and be of no further value or effect.

### **About Added Capital Inc.**

Added Capital Inc. is a Toronto-based financial advisory firm and merchant bank focused on small cap and microcap public companies and private companies, with a specialization in mergers and acquisitions, merchant banking investments and financial restructurings.

Red Light Holland Financing Inc.  
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Added Capital Inc.  
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### **Forward-Looking Information Advisory**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the use of funds and the business and operations of Added Capital and Finco. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Added Capital disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Added Capital's views regarding possible events, conditions or financial performance may change. However, Added Capital does not intend to update the forward-looking information in this press release, except as required by applicable securities legislation.