

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

March 3, 2017

Item 3 News Release

The news release dated March 9, 2017 was disseminated through Marketwired.

Item 4 Summary of Material Change

As of March 3, 2017, the Company entered into a securities exchange agreement (the "Agreement") with AB Embedded Systems Ltd. ("AB Embedded"), a corporation incorporated in Alberta, and each of the shareholders of AB Embedded (collectively, the "Shareholders"), pursuant to which the Company agreed to acquire all of the issued and outstanding voting securities of the AB Embedded from the Shareholders and all of the issued and outstanding shares in the capital of AB Embedded Private Limited ("AB Embedded India"), a corporation incorporated in India, from the Shareholders and other shareholders of AB Embedded India, if any (the "Acquisition").

In consideration for the Acquisition, the Company agreed to pay the following:

- (i) the payment of an aggregate of \$60,000 in cash to the Shareholders,
- (ii) the allotment and issuance of an aggregate of 1,195,066 common shares of the Company (the "Consideration Shares") at a deemed price of \$0.31 per Consideration Share,
- (iii) the creation and issuance of an aggregate of 542,509 class A consideration warrants of the Company (the "Class A Consideration Warrants") at a deemed price of \$0.32 per Class A Consideration Warrant with each Class A Consideration Warrant entitling the Shareholder to purchase one additional common share of the Company without additional consideration, provided that AB Embedded achieves a minimum of \$434,000 in revenue for the 12 month period ending February 28, 2018, and
- (iv) the creation and issuance of an aggregate of 542,509 class B consideration warrants of the Company (the "Class B Consideration Warrants") at a deemed price of \$0.32 per Class B Consideration Warrant with each Class B Consideration Warrant entitling the Shareholder to purchase one additional common share of the Company without additional consideration, provided that AB Embedded achieves a minimum of \$651,000 in revenue for the 12 month period ending February 28, 2018

(collectively, the "Purchase Price").

In addition, pursuant to the Agreement, at or prior to the closing, the Shareholders agreed to enter into, and cause other shareholders of AB Embedded India, if any, to enter into, a share purchase or transfer agreement with the Company and/or the Company's subsidiary, pursuant to which the Shareholders and other shareholders of AB Embedded India, if any, will sell and transfer all of the issued and outstanding shares in the capital of AB Embedded India to the Company or the Company's subsidiary in consideration for the payment of the Purchase Price by the Company to the Shareholders.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material changes are fully described in Item 4 above and in the News Release attached hereto.

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

March 9, 2017

SCHEDULE "A"



CSE: CRL
Frankfurt: 7C5
OTC: CDTAF

CARL DATA SOLUTIONS ENTERS INTO SECURITIES EXCHANGE AGREEMENT WITH AB EMBEDDED

March 09, 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, business intelligence, and Industrial Internet-of-Things ("IIoT") applications, is pleased to announce that further to its press release dated January 17, 2017, it has entered into a securities exchange agreement (the "Agreement") with AB Embedded Systems Ltd. ("AB Embedded"), a leader in control systems and hardware devices, and each of the shareholders of AB Embedded (collectively, the "Shareholders"), pursuant to which the Company agreed to acquire all of the issued and outstanding voting securities of the AB Embedded from the Shareholders and all of the issued and outstanding shares in the capital of AB Embedded Private Limited ("AB Embedded India"), a corporation incorporated in India from the Shareholders and other shareholders of AB Embedded India, if any (the "Acquisition").

In consideration for the Acquisition, the Company agreed to pay the following:

- (i) the payment of an aggregate of \$60,000 in cash to the Shareholders,
- (ii) the allotment and issuance of an aggregate of 1,195,066 common shares of the Company (the "**Consideration Shares**") at a deemed price of \$0.31 per Consideration Share,
- (iii) the creation and issuance of an aggregate of 542,509 class A consideration warrants of the Company (the "**Class A Consideration Warrants**") at a deemed price of \$0.32 per Class A Consideration Warrant with each Class A Consideration Warrant entitling the Shareholder to purchase one additional common share of the Company without additional consideration, provided that AB Embedded achieves a minimum of \$434,000 in revenue for the 12 month period ending February 28, 2018, and
- (iv) the creation and issuance of an aggregate of 542,509 class B consideration warrants of the Company (the "**Class B Consideration Warrants**") at a deemed price of \$0.32 per Class B Consideration Warrant with each Class B Consideration Warrant entitling the Shareholder to purchase one additional common share of the Company without additional consideration, provided that AB Embedded achieves a minimum of \$651,000 in revenue for the 12 month period ending February 28, 2018

(collectively, the "Purchase Price").

In addition, pursuant to the Agreement, at or prior to the closing, the Shareholders agreed to enter into, and cause other shareholders of AB Embedded India, if any, to enter into a share purchase or transfer agreement with the Company and/or the Company's subsidiary, pursuant to which the Shareholders and other shareholders of AB Embedded India, if any, will sell and transfer all of the issued and outstanding shares in the capital of AB Embedded India to the Company or the Company's subsidiary in consideration for the payment of the Purchase Price by the Company to the Shareholders.

AB Embedded is a privately held company based in Calgary, Canada, that designs and manufactures control systems primarily in the Oil & Gas sector. These high-performance, high-efficiency systems are designed for all weather environments and are deployed where 100 percent reliability and low-power consumption for long life are essential. Dozens of leading Oil & Gas corporations across North America, and more than 250 natural gas compressor sites in Alberta and Saskatchewan alone, operate with their embedded control systems. Recently, AB Embedded expanded to introduce new "Smart City" products that include water and solid waste management solutions using advanced telemetry to cost effectively collect data from remote locations. AB Embedded is currently organizing several pilot projects in India and North America to test both new products and the telemetry solutions that connect its devices.

The Company believes that the Acquisition will contribute to Carl's corporate growth strategy to build and acquire companies with a proven record of success working in data-driven verticals, such as Oil & Gas, Utilities and Resource Development, whose data management needs are growing with the advancement of the IIoT. Carl plans to enhance AB Embedded's solutions using its BDaaS platform to provide additional advanced analytics, reporting and alarming. Upon completion of the Acquisition, the Company believes that Carl along with its subsidiaries, AB Embedded and FlowWorks, will be able to provide turnkey IIoT solutions for progressive, data-centric companies and cities who rely on large amounts of data to properly operate and maintain their infrastructure.

Attila Bene, founder and CEO of AB Embedded, is expected to continue with his role to develop, engineer and integrate of their sensors and communications with Carl's existing solutions subsequent to the completion of the Acquisition. He commented, "We are very happy to be joining a company like Carl, so we can offer a more complete solution for our clients. Simply creating the data is only half the job. Making sense out of the information is critical in order to use our systems effectively. Carl's SaaS based solution will provide the necessary means for our clients to properly interpret and respond to the information generated by our hardware networks."

Greg Johnston, CEO of Carl, commented, "This transaction is a big step forward to providing a comprehensive solution for infrastructure monitoring. Carl can now provide unique and customized solutions from data collection through to predictive analytics using machine learning. Extracting actionable information from very large data sets is essential in the IIoT age. With the addition of AB Embedded, we expect to begin filling gaps and supplementing existing networks to create even more value for our clients by providing turnkey IIoT solutions."

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, Flow Works Inc., a company that helps its clients analyze and understand all forms of environmental data through a powerful platform of data collection, monitoring, analysis and reporting tools and ETS., Carl continues to develop applications to work with new cloud-based mass storage services and analytics tools (Big-Data-as-a-Service ("BDaaS")).

Carl's development platform can accommodate virtually unlimited storage of any type of data. This technology allows Carl to build advanced applications for monitoring, reporting and analysis. Carl's 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.

About AB Embedded Pvt. Ltd.

AB Embedded Pvt. Ltd. has been executing projects in hardware and software engineering design since 2006 in Calgary, Canada. They focus on embedded systems. Since their embedded systems are engineered to perform specific tasks, their design engineers ensure that customers’ cost, power consumption, size, performance and reliability are optimized. Their smart control systems and devices are manufactured specifically for water, solid waste management, industrial control and monitoring in all-weather environments.

AB Embedded’s high-performance, high-efficiency control systems, are a top choice for the Oil & Gas sector because of their consistent reliability and low-power consumption. AB Embedded believe in constant innovation. They are transforming the way engineers design, prototype and deploy embedded systems for automation, measurement and embedded applications. www.ab-embedded.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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The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. In particular, forward-looking statements in this press release include, but are not limited to, statements with respect to: the completion of the Acquisition; the Company’s belief that the Acquisition will contribute to Carl’s corporate growth strategy to build and acquire companies with a proven record of success working in data-driven verticals, such as Oil & Gas, Utilities and Resource Development, whose data management needs are growing with the advancement of the IIoT; Carl’s plan to enhance AB Embedded’s solutions using its BDaaS platform to provide additional advanced analytics, reporting and alarming; the Company’s belief that upon completion of the Acquisition, Carl along with its subsidiaries, AB Embedded and FlowWorks, will be able to provide turnkey IIoT solutions for progressive, data-centric companies and cities who rely on large amounts of data to properly operate and maintain their infrastructure; the Company’s expectation that Attial Bene will continue with his role to develop, engineer and integrate of their sensors and communications with Carl’s existing solutions subsequent to completion of the Acquisition; Mr. Bene’s statement that Carl’s SaaS based solution will provide the necessary means for clients of AB Embedded to properly interpret and respond to the information generated by AB Embedded’s hardware networks; Carl’s expectation to provide unique and customized solutions from data collection through to predictive analytics using machine learning; and the Company’s expectation to begin filling gaps and supplementing existing networks to create even more value for the Company’s clients with the addition of AB Embedded.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to

be correct. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, without limitation, risks with respect to: delay or failure to complete the transactions contemplated by the Agreement; the inability to successfully integrate the business of AB Embedded; the ability of the Company to establish a market for its services; competitive conditions in the industry; general economic conditions in Canada and globally; the inability to secure additional financing; competition for, among other things, capital and skilled personnel; potential delays or changes in plans with respect to deployment of services or capital expenditures; possibility that government policies or laws may change; technological change; risks related to the Company's competition; the Company's not adequately protecting its intellectual property; interruption or failure of information technology systems; and regulatory risks relating to the Company's business, financings and strategic acquisitions. Any forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.