

Form 51-102F3

Material Change Report

1. Name and Address of Company

Emergia Inc. (the “**Corporation**”)
640, Orly avenue, suite 160
Dorval, Québec,
H9P 1E9

2. Date of Material Change

February 20, 2020

3. News Release

The Company issued a news release with respect to the material change described below on February 20, 2020 via Newswire.

4. Summary of Material Change

The Corporation provides update on its \$15,000,000 private placement of units and announces the issuance of a \$4,420,000 convertible debenture.

5. Full Description of Material Change

Please see attached press release.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The executive officer who can answer questions regarding this report is Mr. Bruno Dumais, Chief Financial Officer of the Company. Mr. Dumais can be reached at 1.888.520.1414 Ext. 225 and at bdumais@emergia.com.

9. Date of Report

February 21, 2020



**Press Release # 2-2020
For Immediate Broadcast**

**EMERGIA INC. PROVIDES UPDATE ON ITS \$15M PRIVATE PLACEMENT OF UNITS AND
ANNOUNCES THE ISSUANCE OF A \$4,4M CONVERTIBLE DEBENTURE**

Montreal, Quebec, February 20, 2020 - (CSE: EMER) Emergia Inc. (the "**Corporation**" or "**Emergia**") wishes to provide an update on its previously announced private placement of up to 15,000,000 units of the Corporation (the "**Units**") at a price of \$1.00 per Unit for up to \$15,000,000 (the "**Private Placement**").

The Corporation is pleased to announce that the Private Placement remains in progress due to continued investor interest, and any closing has been extended until March 31, 2020.

The Corporation has currently received commitments for approximately 4,600,000 Units, for a total amount of approximately \$4,600,000 in satisfaction of outstanding debts of the Corporation for such amount. Included in these commitments are commitments from management of the Corporation, including Mr. Henri Petit, President and CEO of the Corporation, for 500,000 Units, in satisfaction of outstanding debt of the Corporation in such amount. Emergia expects to rely on the exemptions contained in sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 on the basis that the fair market value of the anticipated participation in the Private Placement by management does not exceed 25% of the market capitalization of the Corporation.

As announced on December 5, 2019, each Unit is composed of one Class A Common Share in the capital of the Corporation (a "**Common Share**") and a warrant entitling the holder to purchase one Common Share at a price of \$2.00 per Common Share for a period of 24 months following the closing date. The Common Shares will be listed on the Canadian Securities Exchange.

The Corporation is also pleased to announce that it has entered into a subscription agreement with a private investor who has agreed to provide funding of \$4,420,000 by way of a secured convertible debenture (the "**Debenture**") to reimburse the Corporation's line of credit with Royal Bank of Canada ("**RBC**") and to settle outstanding debt of the Corporation. The Debenture has a maturity date of two years from the date of issuance and bears simple interest at a rate of 12% per annum, payable at maturity. The Debenture and the interest are convertible into Common Shares of the Corporation at a conversion price of \$1.00 per Common Share. The Debenture will be secured by a hypothec over specific assets that were already mortgaged to secure the RBC line of credit. The Debenture may be reimbursed at any time until maturity without any penalty, provided a 30-day notice is given to the investor to allow him to exercise his conversion right, should he decide to do so. In the event the investor decides to exercise its conversion right, 4% interest on such amount will be forfeited by the investor. Closing is subject to customary closing conditions, including the approval of the regulatory authorities and completion of all legal documentation.

"We are delighted with the confidence our creditors show in the management's ability to execute Emergia's reorganization plan and in the Corporation's capacity to realize its development projects, allowing it to pursue its growth objectives and the development of the Corporation's assets." said Henri Petit, President and CEO of Emergia.

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 state or jurisdiction in which such offer, solicitation or sale would be unlawful. All securities issued in connection with the Private Placement and the related Debt Settlement will be subject to a statutory hold period of four months plus one day from the date of issuance of the securities in accordance with applicable Canadian securities legislation. In

addition, the securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act.

ABOUT EMERGIA INC.

EMERGIA operates mainly in Canada in the development, acquisition and management of multi-purpose real estate, including retail, multi-residential, industrial, and office buildings as well as land for future development. The Corporation’s investment platform is based on an integrated, agile and efficient develop-to-own strategy that enables EMERGIA to benefit from development profits and the value-add while securing stable long-term returns.

For more information, please visit www.emergia.com and www.sedar.com. EMER.CN

Source: Emergia Inc.

For more information, please contact:

Bruno Dumais

CFO

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Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by looking for words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intend”, “should”, “plan”, “predict”, “potential”, “project”, “anticipate”, “estimate”, “continue” or similar words or the negative thereof or other comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the anticipated closing of the Private Placement, business strategy and plans, and objectives of or involving the Corporation. The forward-looking information is based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning satisfaction of all conditions of closing, absence of exercise of any termination right and the timing and receipt of regulatory approval with respect to the Private Placement and the issuance of the private placement shares and the availability of capital resources. Although the Corporation believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that they will prove to be correct. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the market for the common shares, volatility of market price for common shares and other risks generally attributable to the business of the Corporation. For additional information with respect to risks and uncertainties, refer to the MD&A of the Corporation filed on SEDAR at www.sedar.com.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE CORPORATION AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE CORPORATION MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE SECURITIES LEGISLATION.