FORM 51-102F3

MATERIAL CHANGE REPORT

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

BSM Technologies Inc. (the "**Corporation**" or "**BSM**")
75 International Blvd., Suite 100
Toronto, Ontario M9W 6L9

Item 2. **Date of Material Change**

October 3, 2016.

Item 3. **News Release**

A news release was issued by the Corporation on October 4, 2016, and distributed through the services of CNW Group Ltd. and filed on SEDAR.

Item 4. **Summary of Material Change**

On October 3, 2016, BSM entered into an Asset Purchase Agreement (the "**Purchase Agreement**"), with its wholly-owned subsidiary BSM Analytics Inc., a Delaware corporation (the "**Purchaser**"), its wholly-owned subsidiary BSM Technologies Ltd. (f/k/a BSM Wireless Inc.), an Ontario corporation (the "**IP Purchaser**") and Mobi Corp. (the "**Mobi**"), a Delaware corporation. Pursuant to the Purchase Agreement, the Purchaser and the IP Purchaser acquired substantially all of the assets of Mobi (the "**Acquisition**") for initial cash consideration of US$8.0 million before working capital adjustments (the "**Initial Purchase Price**") plus potential earn-out payments up to US$17.0 million (the "**Total Earn-Out Amount**").

The Total Earn-Out Amount is eligible to be paid during a two-year period (the "**Earn-Out Period**") immediately following the closing of the Acquisition, contingent upon the Mobi products achieving certain Mobi Recurring Revenue and Mobi Adjusted EBITDA milestones calculated in accordance with US GAAP in the Earn-Out Period.

Item 5. **Full Description of Material Change**

On October 4, 2016, BSM announced that it completed, through the Purchaser and the IP Purchaser, the Acquisition of substantially all of the assets of Mobi pursuant to the terms of the Purchase Agreement for the Initial Purchase Price and the potential Total Earn-Out Amount.

Pursuant to the Purchase Agreement, the Total Earn-Out Amount, if any, payable by BSM will be contingent upon the Mobi products reaching up to six achievement targets (collectively, the "**Achievement Targets**"), which will be determined at the following three intervals: (i) the two-month anniversary of the closing of the Acquisition based on annualized November 2016 Mobi Recurring Revenue and

Mobi Adjusted EBITDA results; (ii) the one-year anniversary of the closing of the Acquisition based on the previous 12-month Mobi Recurring Revenue and Mobi Adjusted EBITDA results; and (iii) the second-year anniversary of the closing of the Acquisition based on the previous 12-month Mobi Recurring Revenue and Mobi Adjusted EBITDA results. The specific Achievement Targets are based on the Mobi products achieving: (i) at least 100% of either the Mobi Recurring Revenue or Mobi Adjusted EBITDA milestone at the applicable anniversary; and (ii) at least 90% of the other milestone.

Achievement Targets	**Closing**	**#1**	**#2**	**#3**	**#4**	**#5**	**#6**
Required Mobi Recurring Revenue	--	$7.0	$8.0	$9.0	$10.0	$11.0	$12.0
Required Mobi Adjusted EBITDA	--	$1.0	$2.0	$3.0	$4.0	$5.0	$6.0
Incremental Consideration	$8	$2.0	$3.0	$3.0	$3.0	$3.0	$3.0
Cumulative Earn-Out Consideration	--	$2.0	$5.0	$8.0	$11.0	$14.0	$17.0
Cumulative Purchase Price	$8	$10	$13	$16	$19	$22	$25

Please note all amounts in the table above are in millions and in US dollars.

Mobi Recurring Revenue is as determined in accordance with US GAAP as applied by Mobi whereby such revenue is the aggregate amount of revenue recognized in the applicable period for the payment of subscription, licensing, hosting, maintenance, or hardware fees in connections with the sale of Mobi products pursuant to contracts which are continuing and which provide for regular payments and which are reasonably likely to recur on a continuous basis.

Mobi Adjusted EBITDA is as determined in accordance with US GAAP as applied by Mobi whereby such measure is defined as net income excluding the following items: interest, taxes, depreciation and amortization as well as all non-cash expenses.

In order to allow for additional financial flexibility, BSM also has restructured its debt facility, replacing its US$6.0 million term facility with a committed CAD$20.0 million five-year revolving credit facility.

Item 6. **<u>Reliance on subsection 7.1(2) of National Instrument 51-102</u>**

The report is not being filed on a confidential basis.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Executive Officer**

Aly Rahemtulla
President and Chief Executive Officer
Telephone: (416) 675-1201

Item 9. **Date of Report**

DATED at Toronto, in the Province of Ontario, this 12th day of October, 2016.