FORM 51-102F3
Material Change Report

MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NATIONAL INSTRUMENT 51-102 – CONTINUOUS DISCLOSURE OBLIGATIONS

Item 1. Name and Address of Company

AcuityAds Holdings Inc. ("**AcuityAds**" or the "**Company**")
Suite 320, 181 Bay Street
Toronto, ON M5J 2T3

Item 2. Date of Material Change

August 11, 2016

Item 3. News Release

On August 11, 2016, a press release in respect of the material change was disseminated through the facilities of Canada NewsWire and subsequently filed on SEDAR.

Item 4. Summary of Material Change

On August 11, 2016, AcuityAds announced that it entered into a definitive agreement to acquire industry-leading social and mobile targeting company, 140 Proof, Inc. ("**140 Proof**") (the "**acquisition**").

Item 5. Full Description of Material Change

On August 11, 2016, AcuityAds announced that it entered into a definitive agreement to acquire industry-leading social and mobile targeting company, 140 Proof.

140 Proof is a mobile tech company whose key product is a high-scale interest-targeting tool for brands. By analyzing over 20 billion interest signals from a universe of over 700 million public social profiles, the company models and sells custom audience profiles and ad-targeting to brands. 140 Proof holds a patent on its Blended Interest Graph technology, which powers its Relevance API product.

The acquisition is an all-cash deal with a value up to $20 million USD consisting of cash and performance-based payments. 140 Proof was funded by Bluerun Ventures, Founders Fund, and SV Angel.

140 Proof's social data targeting technology adds to the suite of AcuityAds' capabilities, alongside proprietary machine-learning technology, real-time reporting and integration with the industry's leading data management platform, Adobe Audience Manager, enabling the Company to more effectively address the digital, social and data-driven needs of today's marketer.

It is expected that the acquisition will be completed in the third calendar quarter of 2016 and remains subject to the approval of 140 Proof shareholders. The board of Acuity and 140 Proof have unanimously voted in favor of this transaction. The trailing 12-month pro-forma revenues for the period ended June 30, 2016 for the combined organization are approximately $35 million CDN. AcuityAds intends to finance the initial payment by utilizing an updated banking facility with Silicon Valley Bank for additional working capital as well as a minimum of $1.0 million CDN term loan with certain non-arm's length lenders. AcuityAds will acquire 100% of 140 Proof's outstanding common stock in exchange for a combination of cash and performance based earn-outs which if met, could potentially value this transaction at approximately $20 million USD. Under the terms of the agreement, 140 Proof will receive $3.0 million USD on closing, with additional payments in performance-based earn-outs to be achieved over a 3-year period, subject to the achievement of certain gross profit and contribution margin milestones. Any earn-out payments are expected to be self-funded and this acquisition is expected to be accretive to AcuityAds' earnings. No additional shares are being issued with respect to the closing of the acquisition.

Ov2 Securities Inc. advised AcuityAds on the acquisition and will receive an advisory fee of $100,000 USD. Sheldon Pollack, a director of AcuityAds, is a principal of Ov2 Securities Inc., and accordingly, the payment of the advisory fee constitutes a "related party transaction" under applicable securities law. The acquisition, including the payment of the advisory fee, was approved by the board of directors of the Company pursuant to directors' resolutions dated August 9, 2016. The payment of the advisory fee is exempt from the formal valuation and minority shareholder approval requirements of applicable securities laws as at the time agreed to, neither the fair market value of the subject matter of, or the fair market value of the consideration for, the advisory fee insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

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

Not applicable.

Item 7. **Omitted Information**

Not applicable.

Item 8. **Executive Officer**

David Andrews
Chief Financial Officer
(416) 218-9888

Item 9. **Date of Report**

August 22, 2016