

FORM 45-110F1
Offering Document

Item 1: RISKS OF INVESTING

- 1.1 No securities regulatory authority or regulator has assessed, reviewed, or approved the merits of these securities or reviewed this Offering Document. Any representation to the contrary is an offence. This is a risky investment.**
- 1.2 The forecasts and predictions of an early-stage business are difficult to objectively analyze or confirm. Forward-looking statements represent the opinion of the Issuer only and may not prove to be reasonable.**

Item 2: THE ISSUER

2.1 Contact Information for the Issuer

- (a) Full legal name: Asset Direct of Canada Inc.
- (b) Head office address: 101 - 379 Dundas Street, London, Ontario N6B 1V5
- (c) Phone number: 1-855-936-5626
- (d) Email address: investors@assetdirect.io
- (e) Website URL: <http://www.assetdirect.io/>

2.2 Contact Person of the Issuer

- (a) Full legal name: Christopher Paul Healy
- (b) Positions held: Director and Chief Operating Officer
- (c) Business address: 101 - 379 Dundas Street, London, Ontario N6B 1V5
- (d) Business phone: 1-855-936-5626
- (e) Business email: chealy@assetdirect.io

Item 3: ISSUER'S BUSINESS

3.1 Description of the Issuer's Business

Asset Direct of Canada Inc. (doing business in Canada as “LoanConnect”, doing business in India as “CreditLinks”, and herein referred to as “**Asset Direct**”, the “**Issuer**”, the “**Company**”, and in the first-person, e.g., ‘**we**’, ‘**our**’) is a financial services aggregator and marketplace founded in 2015.

Through our network of partner businesses and merchants, prospective borrowers complete a quick loan application, either by direct online referral or from a mobile device by scanning a QR code located on signage at the partner business. With the user's application data and specific lending criteria from our network of over 38 alternative lenders, our platform determines which lenders and terms are available to the borrower.

From the qualified and pre-approved options, the borrower selects their preferred rate and term, and the funds are available for purchase at the merchant or for later use.

Company Development

Asset Direct was founded by Adam Rice and Chris Healy, CEO and Chief Operating Officer (COO), respectively. Our first year was focused on developing the platform, which was formally in the market by early 2017. Around this time, we also established our board, with Dr. Ketan Patel and Jake Clark being appointed as directors. Dr. Patel brings a breadth of experience as an active angel investor and early-stage business advisor and Jake provides expertise in specific areas including marketplace businesses and incentive-driven models. By 2019, we expanded across Canada and secured Credit Karma, Easy Financial, Fairstone, and others as partners and lenders. Towards the end of 2021, we established CreditLinks and entered India.

As a company, we have participated in three business accelerator programs. The first was with Holt Xchange via Holt Accelerator in 2018, and the most recent program was with Chinaccelerator via SOSV, a global venture capital firm, which concluded in 2021. These accelerators have provided us with growth capital, business processes, and most importantly, access to their global network of partners, portfolio companies, and other programs that have been critical to our success to date.

Operations and Industry

Our business model is currently focused on rapidly growing our merchant and user base. To do so effectively, our product and service must be reliable and attractive. That means the merchant onboarding process needs to be quick and scalable, the loan application needs to be streamlined and bug-free, and our services need to be competitive.

Accordingly, most of our employees are focused on developing and building (i) partnerships with lenders and merchants, and (ii) our platform and process for merchants and borrowers. We have 12 team members in those areas, in addition to three others in marketing and operations. Most of our team reports to our head office in London, Ontario, while some of those focused on the Indian operations and CreditLinks work from our office in Mumbai, India (“**IndiaCo**”, see **Item 3.2**).

As a ‘business-to-business’ business, we have two users – the business (*i.e.*, partner merchants) and the end-user (*i.e.*, borrowers). Through our services (*i.e.*, access to a lender network) we connect users to the financial industry, while not being a direct, or regulated, participant of that industry ourselves. However, a change in how regulators view our services or how we conduct our business may mean we have to adapt our strategy and operations.

Goals and Growth

Within the next two to three years, we have identified several milestones that we plan to achieve with the funds from this offering. We will expand IndiaCo, which we established in 2021, with an operations and sales team as well as legal counsel. That will enable us to build out our network of service providers and develop partners in the growing fin-tech ecosystem within India. To increase key user metrics, such as returning users and revenue per application, we will invest in our platform and product, adding new functionalities such as insurance and credit cards.

Asset Direct was founded with the goal to serve the “underbanked”. Underbanked are people that do not have reasonable access to financial services, either because of their geographic location or their limited credit history. Through providing the underbanked with access to non-predatory loans ¹ from credible lenders we are aiming to help people grow and strengthen their credit and financial security. As our borrower quality improves, we hope to gain negotiating power and influence over our lender network, potentially lowering the rates and improving the terms of the loans available to borrowers. Over the long term, though expanding our product and institution network, we hope to replace the need of a bank for these underbanked individuals.

3.2 Legal Structure of the Issuer

Asset Direct was incorporated on December 29, 2015, pursuant to the *Canada Business Corporations Act* (the “**Act**”). We are headquartered in Ontario as an extra-provincially federally registered company under the business name “Loan Connect” (stylized as “LoanConnect”).

Our wholly owned Indian subsidiary, Asset Direct DBA Creditlinks India Private Limited (“**IndiaCo**”) was incorporated on March 5, 2021, pursuant to the *Companies Act* (India).

3.3 Constatng Documents of the Issuer

The Issuer’s Constatng Documents are comprised namely of the following documents, which are available for review upon request to the funding portal (Item 5.1) or the Contact Person (Item 2.2):

- (a) Articles of incorporation;
- (b) Unanimous shareholders’ agreement dated February 1, 2018 (the “**Shareholders’ Agreement**”); and
- (c) Voting trust agreement dated March 31, 2022 (the “**Voting Trust Agreement**”).

¹ No current lender in our network offers a “payday loan” as defined by the Financial Consumer Agency of Canada.

3.4 Stage of the Issuer's Operations

The Issuer: *(select all that apply)*

- ☐ has never conducted operations.
- ☐ is in the development stage.
- ☒ is currently conducting operations.

3.5 Financial Statements of the Issuer

The Issuer's unaudited financial statements for the year ended December 31, 2021, the most recently completed fiscal year of the Company, may be viewed by prospective purchasers upon execution of a mutual non-disclosure agreement. For further information contact the funding portal or the Contact Person of the Issuer.

Information for purchasers: If you receive financial statements from an issuer conducting a crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this Offering Document. You should also consider seeking advice from an accountant or an independent financial adviser about the information in the financial statements.

3.6 Authorized and Outstanding Securities of the Issuer ^{(1) (2)}

Issued Securities					
Description of security		Number outstanding		Basic terms	
Class A Common Shares		1,019,454		Voting shares	
Class B Common Shares		283,675		Non-voting shares	
Class C Common Shares		242,658		Voting shares	
Total shares outstanding		1,545,787			
Stock Options					
Status of Option		Number outstanding		Basic terms	
Vested		93,033		Issued pursuant to the employee stock option plan (the “ Plan ”) and exercisable into Class B Common shares.	
Unvested		0			
Total options outstanding		93,033			
Convertible Securities ⁽³⁾					
Description of Security/Agreement ⁽⁴⁾	Purchase Amount	Valuation Cap	Discount or Interest %	Equity Financing Threshold ⁽⁵⁾	Fully Diluted Entitlement
Accelerator Contracts for Equity	\$230,000	\$15,000,000	20% discount	\$500,000	TBD upon conversion

Convertible Equity Agreement	\$100,000	N/A		\$250,000	1.47%
Convertible Promissory Note	\$100,000	\$6,500,000	6% annual interest	N/A	TBD upon conversion
Reserved Stock Option Pool	N/A			\$500,000	10.00%
Simple Agreement for Future Equity ⁽⁶⁾	\$50,000	\$15,000,000	N/A	\$2,000,000	TBD upon conversion
Simple Agreement for Future Equity ⁽⁷⁾	\$699,473	\$15,000,000	20% discount	\$2,000,000	TBD upon conversion
Stock Purchase Agreement	N/A			\$500,000	4.00%

- (1) See the Constatting Documents in Item 3.3 for further information regarding the authorized share classes.
- (2) Except for the Convertible Promissory Note, all dollar amounts in this table are in United States Dollars (USD).
- (3) Information about the convertible security agreements described in this table is provided for convenience only and should not be relied on as authoritative. The securities issuable under each agreement are subject to the full terms, conditions, and rights of the holder pursuant to the applicable agreement, and the actual Fully Diluted Entitlement, among other things, may change depending on the terms of the conversion event.
- (4) Convertible security agreements are available upon request. Capitalized terms used in this table and not otherwise expressly defined therein have the meaning ascribed to them in their respective agreements. For clarity, there are capitalized terms in this table that are defined elsewhere in this Offering Document; those meanings should not be given to the terms in this table.
- (5) Subject to the specific definition of “**Equity Financing**” or similar term within each agreement, Equity Financing Threshold means the aggregate amount of proceeds that must be received in a qualified financing by the Company in order for the securities underlying the agreement to be issued.
- (6) This Simple Agreement for Future Equity (SAFE) is not the same as the offered security.
- (7) This SAFE is the offered security. See items 6 and 7 for more information.

Item 4: MANAGEMENT

4.1 Founders, Directors, Officers, and Control Persons of the Issuer

Full legal name, residence, position	Principal occupation last 5 years	Relevant education, experience, expertise	Securities of the Issuer held & Acquisition details			Ownership as of July 6, 2022 ⁽¹⁾
			Number & type	Date acquired	Price (CA\$)	
Adam Grant Rice London, Ontario <i>CEO & Director</i>	CEO & Founder; Asset Direct (2015)	Adam has founded and lead China-based companies, co-founding a real-estate search aggregator. He obtained his MBA from the Australian Institute of Business in 2017.	511,611 Class A shares	Dec 29, 2015	0.0001	33.1%
Jacob Spencer Edward Clark ^(a) London, Ontario <i>Director</i>	Director; Asset Direct (2018) President; Benefits Direct Club (2011-21) President; FIRM Consulting (1994-2018)	Jake has experience growing and managing market and referral-based businesses. Previously served on local non-profit boards, including the Boys & Girls Club.	242,658 Class C shares	Feb 1, 2018	0.68	15.7%
Christopher Paul Healy London, Ontario <i>COO & Director</i>	COO; Asset Direct (2016) CEO; Strategic Analysis Corporation (2012)	Chris has over 20 years experience as a financial and management consultant. He obtained an MBA from IESE Business School in addition to undergrad and certificate programs in Canada.	38,890 Class A shares	Jul 7, 2017	0.0001	13.7%
			150,000 Class A shares	Nov 24, 2016	0.0001	
			22,727 Class B shares	Nov 24, 2016	0.44	
Ketan Kumar Patel ^(b)	Director; Asset Direct (2017)	Dr. Patel is an angel investor with advisory and	36,367 Class A shares	Jul 7, 2017	0.0001	13.5%

Barbados <i>Director</i>	Chief Medical Officer; SyTrue (2013)	executive roles in multiple private companies. He obtained his Doctor of Medicine from the University of Toronto in 1999.	72,534 Class B shares	Feb 11, 2017	1.04	
	Investor (various entities)		100,000 Class A shares	Jan 21, 2017	0.0001	
Michael Rory Thomas Butler Ajax, Ontario <i>VP Growth</i>	VP Growth; Asset Direct (2020) Head of Strategic Partnerships, Money; Kanetix (2016-19)	Mike has experience managing sales & marketing teams in industries including financial services, manufacturing, and food services.	44,461 Class B Options	Pursuant to the Plan on May 1, 2020		0%

- (a) Mr. Clark holds his shares through Parlay-Vu Inc., a wholly owned entity.
(b) Dr. Patel holds certain shares through 2120942 Ontario Limited, a wholly owned entity.
(1) Based on the outstanding shares of 1,545,787 shares as described in Item 3.6.

4.2 Disclosures required under this Crowdfunding Distribution

Except as provided below in Item 4.2(d)(i), no person listed in Item 4.1 or the Issuer, as the case may be:

- (a) has ever pled guilty to or been found guilty of (i) a summary conviction or indictable offence under the Criminal Code, (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction, (iii) a misdemeanor or felony under the criminal legislation of the United States of America, or any state or territory therein, or (iv) an offence under the criminal legislation of any other foreign jurisdiction;
- (b) is or has been in the last 10 years the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by, or has entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction related to (i) the person's involvement in any securities, insurance, or banking activity, or (ii) a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct;
- (c) is or has been in the last 10 years the subject of an order, judgment, decree, sanction, or administrative penalty imposed by a discipline committee, professional order or

administrative court of Canada or a foreign jurisdiction related to any professional misconduct.

(d) subject to the below, is or has ever been the subject of a bankruptcy or insolvency proceeding:

(i) In November 2013, Mr. Rice declared personal bankruptcy on a total amount of CA\$25,460. He was automatically discharged pursuant to subsection 168.1(1)(a)(i) of the *Bankruptcy Act* (Canada) in August 2014.

(e) is a director, officer, founder or control person of a person or company that is or has been subject to a proceeding described in paragraph (a), (b), (c) or (d) above.

Item 5: CROWDFUNDING DISTRIBUTION

5.1 Funding Portal Information

The Issuer has engaged FrontFundr Financial Services Inc. (“**FrontFundr**”) as the funding portal for this crowdfunding distribution under National Instrument (NI) 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions* (“**NI 45-110**”). FrontFundr is an exempt market dealer wholly owned by Silver Maple Ventures Inc., with its head office in British Columbia, and can be contacted at support@frontfundr.com or 1 (800) 804-1524.

5.2 Eligible Jurisdictions for this Crowdfunding Distribution

The Issuer intends to raise funds in all jurisdictions available under NI 45-106 *Prospectus Exemptions* (“**NI 45-106**”). Pursuant to NI 45-110, the Issuer intends to raise funds in the following jurisdictions:

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Alberta | <input type="checkbox"/> Newfoundland and Labrador | <input checked="" type="checkbox"/> Ontario |
| <input checked="" type="checkbox"/> British Columbia | <input type="checkbox"/> Northwest Territories | <input type="checkbox"/> Prince Edward Island |
| <input checked="" type="checkbox"/> Manitoba | <input checked="" type="checkbox"/> Nova Scotia | <input checked="" type="checkbox"/> Québec |
| <input checked="" type="checkbox"/> New Brunswick | <input type="checkbox"/> Nunavut | <input checked="" type="checkbox"/> Saskatchewan |
| | | <input type="checkbox"/> Yukon |

5.3 Relevant Dates for this Crowdfunding Distribution

(a) There is no minimum amount the Issuer needs to raise in order to close this crowdfunding distribution. Subject to Item 11.2, the Issuer may close this crowdfunding distribution at any time prior to or on October 4, 2022.

(b) This Offering Document has not been amended.

5.4 Eligible Security Offered

- ☐ Common Shares
- ☐ Non-convertible preference shares

- ☒ **Securities convertible into common shares or non-convertible preference shares:** *Simple Agreement for Future Equity (see Item 5.6 for more information)*
- ☐ Non-convertible debt linked to fixed interest rate
- ☐ Non-convertible debt linked to a floating interest rate
- ☐ Limited partnership units
- ☐ Shares in the capital of an association

5.5 *Rights, Restrictions and Conditions of the Offered Security*

- ☐ Voting rights
- ☐ Dividend rights
- ☒ **Rights on dissolution:** *Holders will be entitled to the purchase amount of their SAFE, or if there are insufficient funds for the Company to pay such amounts to all holders, their pro-rata entitlement, paid prior and in preference to holders of outstanding shares by reason of their ownership thereof.*
- ☒ **Conversion rights:** *automatically into SAFE Preferred Stock upon an Equity Financing, or into Capital Stock at the option of Majority-in-Interest upon any other qualified financing (see Item 5.6 for more information).*
- ☐ Tag-along rights
- ☒ **Drag-along rights:** *see item 5.6 for information*
- ☐ Pre-emptive rights

5.6 *Brief Summary of Rights, Restrictions and Conditions of the Offered Security*

The eligible security offering is a Simple Agreement for Future Equity (SAFE). The SAFE, and the securities underlying the SAFE (together referred to as the “**securities**”), will be issued pursuant to the terms of the agreement between the purchaser and the Company (the “**SAFE Agreement**”). In addition, unless waived by the Issuer, all purchasers under this Offering will be required to enter into and become party to the Voting Trust Agreement. The below is only intended to serve as a summary of some of the terms of the SAFE and the Voting Trust, and each purchaser should engage in a full review of the terms and conditions of both agreements prior to purchase of the SAFE. *Capitalized terms used in Items 5.5 to 5.7 and not otherwise defined shall have the meanings ascribed to them in the agreements.*

Conversion Rights in an Equity Financing

If the Company raises an aggregate amount of US\$2,000,000 or more through the issuance of Preferred Stock in one or more closings at the same fixed pre-money valuation (the “**Equity Financing**”), the Purchase Amount of the SAFE will automatically convert into SAFE Preferred Shares at price per share equal to the lesser of (i) the “**Valuation Cap**” of US\$15,000,000 divided by the Company Capitalization (the “**SAFE Price**”), or (ii) the price

per share issued in the Qualified Financing less the “**Discount Rate**” of 20% (the “**Discount Price**”)

Notwithstanding, if (i) the aggregate amount raised by the Company in the financing is less than US\$2,000,000, and/or (ii) the shares issued in the financing are Common Stock, then the Majority-in-Interest shall have the right, and at its sole discretion, to treat the financing as an Equity Financing (the “**Optional Conversion**”) in which case the Company would automatically issue the Purchaser shares in the offered class at either the SAFE Price and or the Discount Price, whichever calculation results in the Purchaser receiving the greater number of shares.

Rights in a Liquidity Event Prior to Conversion

If there is a Liquidity Event before conversion of the SAFE, the Company will pay the Purchaser the greater of (i) two (2) times the Purchase Amount, or (ii) the amount the Purchaser would have received if the Purchase Amount had been converted immediately prior into shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price. If there are not enough funds to pay the Purchaser and holders of other SAFEs (collectively, the “**Cash-Out Purchasers**”) in full, then all of the Company’s available funds will be distributed with equal priority and pro rata among the Cash-Out Purchasers in proportion to their Purchase Amounts, and the Cash-Out Purchasers will automatically receive the number of Common Stock equal to the remaining unpaid Purchase Amount divided by the Liquidity Price.

Registration of the SAFE and any Securities Issuable upon its Conversion

Registration and any statutory voting rights of the SAFE, and without limitation, any securities issued upon the conversion of the SAFE, will be transferred to Adam Rice (in his capacity as “**Voting Trustee**” as defined in the agreement) to assist the Company in facilitating compliant and efficient corporate governance. The Company will execute and deliver to each purchaser an Officer’s Certificate evidencing that purchaser’s beneficial and commercial ownership of the securities that have been transferred to the Trustee.

Drag-along Rights

If (i) the holders of at least 60% of the Class A common shares in the capital of the Company (collectively, the “**Selling Investors**”); and (ii) the Board of Directors of the Company, approve a Sale of the Corporation in writing, specifying that this [Article 3.7 of the Voting Trust Agreement] shall apply to such transaction (the “**Drag-Along Approval**”), then each Shareholder, the Voting Trustee and the Company hereby agree to the that the Voting Trustee, on behalf of the Shareholder, shall execute and deliver all related documentation and take such other action in support of the Sale of the Corporation as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provision of this Article 3.7, including, without limitation, executing and delivering

instruments of conveyance and transfer, and any purchase agreement, amalgamation agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, share Certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents.

5.7 Information about the Offering

	Total amount (USD)	Number of Securities
Minimum Offering Amount	\$0	Each Simple Agreement for Future Equity will be issued pursuant to the purchase amount of that SAFE.
Maximum Offering Amount ⁽¹⁾ ⁽²⁾	\$2,500,000	
Price per security	N/A	

(1) The Company may raise a greater amount than is indicated as the maximum offering amount under other available prospectus exemptions at its sole discretion without having to amend this Offering Document.

(2) While the Issuer is limited to raising \$1,500,000 within any 12-month period under NI 45-110, it may raise more in that period via such other available prospectus exemptions.

5.8 Minimum Investment Amount

The minimum investment per purchaser is \$250.

5.9 Eligible Proceeds towards Satisfaction of the Minimum Offering Amount

Note: The minimum offering amount stated in this Offering Document may be satisfied with funds that are unconditionally available to Asset Direct of Canada Inc. that are raised using other prospectus exemptions.

Item 6: USE OF FUNDS

6.1 Information about Funds Previously Raised by the Issuer *

Cash amount	Year	Funding type	Prospectus Exemption	Use of Proceeds
US\$419,473	2022	Investment – crowdfunding	NI 45-110; NI 45-106 2.3 & 2.4	See item 6.2
US\$235,000	2021	Investment – accelerator & other investors ⁽¹⁾	NI 45-106 2.4	Investment into platform for Canadian & Indian operations

CA\$400,000	2021	Loan - government agency ⁽²⁾	N/A	Development of India operations & initial rollout
CA\$76,937	2020	COVID relief (CEBA, RRRF)	N/A	Operating costs
CA\$125,000	2018	Investment – accelerator	NI 45-106 2.4	Platform development
CA\$165,000	2018	Investment – founders, friends & family	NI 45-106 2.4	Platform development
CA\$135,000	2017	Investment – founders, friends & family	NI 45-106 2.4	Development of business
CA\$60,000	2016	Investment – founders & family	NI 45-106 2.4	Startup costs

* The information presented in this table is based on unaudited management financial statements.

- (1) The funds received at this time were pursuant to a simple agreement for future equity and two accelerator contracts for equity. In addition to the cash proceeds of US\$235,000 received, the Company also recognized additional proceeds of US\$45,000 as consideration for the accelerator program services. All three agreements are similar in nature and have the same Valuation Cap of US\$15,000,000 as this Simple Agreement for Future Equity offered and described hereunder.
- (2) This loan was issued by Western Ontario Community Futures Development Corporation Association pursuant to an agreement dated February 24, 2021. The interest rate of the loan is 9.25% per annum, compounded and due monthly with a term of five years. The loan is secured against a general security agreement of the Company.

6.2 Use of Proceeds from this Offering

Description of intended use of funds, listed in order of priority	Assuming Min. Offering (USD)	Assuming Max Offering (USD)
Improve platform and add new financial products and services	\$0	\$930,000
Expand IndiaCo (partnerships, hiring in operations, sales, and legal)	\$0	\$930,000
Expand into Asia through partnerships with businesses in SOSV's MOX accelerator	\$0	\$465,000
Trade fees ⁽¹⁾	\$0	\$175,000
Total	\$0	\$2,500,000

(1) Specific trade fees are presented for illustrative purposes only. FrontFundr is entitled to a trade fee on eligible investments. For more information see Item 8.

Item 7: PREVIOUS CROWDFUNDING DISTRIBUTIONS

7.1 Previous Start-up Crowdfunding Distributions

We been involved in one (1) previous crowdfunding distribution pursuant to NI 45-110 as described below. The distribution closed successfully as part of this offering and the use of proceeds is as described in item 6.2.

Offering period:	March 31 to July 6, 2022
(a) Name of issuer:	Asset Direct of Canada Inc.
(b) Name of funding portal:	FrontFundr Financial Services Inc.
(c) Result of distribution:	Aggregate gross proceeds of \$16,935 through the issuance of the SAFE under the terms of this offering. ⁽¹⁾

(1) Pursuant to other prospectus exemptions available to the Company, gross total proceeds raised during the offering period was \$699,473.

Item 8: COMPENSATION PAID TO FUNDING PORTAL

8.1 Fees and Compensation Payable by the Issuer to the Funding Portal

Pursuant to an agency agreement between the Issuer and FrontFundr, Asset Direct has engaged FrontFundr as an agent and funding portal in respect of this Offering. Pursuant to that agreement, the Company has paid FrontFundr an onboarding fee of CA\$5,000 and a service fee of CA\$4,500 for drafting of offering materials.

Upon a closing and distribution, Asset Direct will pay FrontFundr a trade fee up to six percent (6%) of the gross funds processed by FrontFundr and issue a warrant to purchase a SAFE in the purchase amount equal to six percent (6%) of the gross funds processed by the Agent and valid for seven years from issuance. The Company may also retain FrontFundr for closing services up to CA\$2,250 plus reimbursements per distribution.

Item 9: RISK FACTORS

9.1 Summary of Material Risk Factors

There are many risks inherent in the activities of Asset Direct and in an investment in their securities, including any securities issuable upon conversion of the offered securities, which prospective purchasers should carefully consider before making an investment. The following is a summary only of some of the risk factors. Any or all, or unidentified risks, may have a material adverse effect on the Issuer's business and return to its securityholders. The Issuer advises prospective purchasers to review the risks relating to this investment with a legal and financial advisor.

The risk factors outlined below and as otherwise may be identified are not a definitive list of risk factors associated with an investment in the offered securities. Prospective purchasers are cautioned that they may lose their entire investment.

The headings contained in this section are for convenience of reference only and will not affect the meaning or interpretation of the risks described herein (i.e., a risk described under “Management Risks” is not exclusively a management risk).

INVESTMENT RISKS

Forward-Looking Statements and Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements and information. By its nature, forward-looking statements and information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and information or contribute to the possibility that predictions, forecasts, or projections will prove to be materially inaccurate.

Investment Proceeds and Terms are Denominated in United States Dollars (USD)

Because the Purchase Amount is due and payable in USD, and underlying Valuation Cap is denominated in USD, your investment value could decline if the Canadian dollar (CAD) appreciates against USD. Generally, a decrease in value of USD against CAD will reduce the value of a security denominated in USD, once converted to CAD. In addition, fluctuations in the exchange rates of currencies could affect the economy or particular business operations of companies in a geographic region, including the future value of securities in the Issuer, causing an adverse impact on your investment value. As a result, investors have the potential for losses regardless of the operations of the underlying business due to currency fluctuations. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of your investment converted to CAD may change quickly and frequently.

No Tax Advice Provided

The Issuer provides no representation with respect to the income tax consequences of an investment in the offered securities to any person. Accordingly, prospective purchasers should consult their own tax advisors for information and advice regarding an investment in the offered securities.

Restrictions on Transfers; No Public Market for the Securities

There is presently no public market for the securities, and none is expected to develop in the foreseeable future. The securities are subject to substantial restrictions on transfer under securities laws and our Constating Documents (as described in Item 3.3). Accordingly, the securities may not be resold or otherwise transferred, except in

accordance with such laws and documents – see Item 12 and the SAFE Agreement for additional information.

Securities are Speculative

The securities offered hereunder, including any issuable upon conversion of the offered security, must be considered highly speculative and an investment in such securities involves a high degree of risk. Due to the nature of our business and the present stage of development, we are subject to significant risks. Our actual operating results may be very different from those expected and described in this document.

Securityholders may be Diluted More than Expected

Purchasers may experience dilution or reduction of their potential ownership interest. The issuance or exercise of outstanding convertible securities, stock options or warrants shall have a dilutive effect on the interests of the new purchasers of the securities. We have many convertible security agreements outstanding that are subject to convert upon a “Qualified Financing” (as may be uniquely defined in each respective agreement) of which the dilutive effects cannot be accurately ascertained until the occurrence of such Qualified Financing or other permitted conversion event. Moreover, in the event we require additional equity financing after the completion of this offering, purchasers may experience further dilution to the extent that such securities may be issued for a value less than the price paid per security acquired hereunder.

MANAGEMENT RISKS

Ability to Retain and Attract Key Personnel and Management

Our business is significantly dependent on our founders, officers and directors, as well as department directors, outside advisors and consultants (“**Personnel**”). The loss of any of these persons or their associated contacts and organizations could have a material adverse effect on our ability to successfully grow our business and maintain operations. Asset Direct’s success depends, in part, on our ability to attract and retain key technical, management and operating personnel, including advisors and contractors. We need to develop sufficient expertise and add or retain skilled employees or retain consultants in areas such as sales, operations, development and customer success in order to successfully execute our business plan and achieve our objectives. As of the date hereof, we maintain key person insurance on Adam Rice.

Conflicts of Interest

We can not assure that our Personnel will not have conflicts of interest from time to time. Personnel may serve in similar roles or capacities of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which we may participate, that Person may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In

the event that such a conflict of interest arises at a meeting of our directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict. In accordance with the Act, our directors are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not we will participate in any particular undertaking at any given time, the directors will primarily consider the upside potential for the undertaking to be accretive to our shareholders, the degree of risk to which the business may be exposed and our financial position at that time.

Inability to Manage the Potential Growth of the Business

We may be subject to growth-related risks including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve effective oversight, operations and financial systems and to expand, train, and manage our employee and stakeholder base. Any expansion of operations we undertake will entail direct risks including failure and indirect risks including opportunity cost; such actions may involve specific operational activities, which may negatively impact the Company's profitability. Consequently, prospective purchasers must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond our available resources, and (ii) management of such expanded operations may divert our attention and resources away from any other operations, all of which factors may have a material adverse effect on our present and prospective business activities.

Management Discretion as to the Use of Proceeds

The proceeds from this offering are intended as described in Item 6.2, however, we reserve the right to use the proceeds for any general business purposes and such other purposes not presently contemplated which we deem be in the best interests of the Company and our shareholders. As a result of the foregoing, our success may be substantially dependent upon the discretion and judgment of our management with respect to application and allocation of the net proceeds of the offering. Purchasers will be entrusting their investment to our management, upon whose judgment and discretion, the purchaser must depend.

COMPANY RISKS

Brand Perception of Asset Direct and our Business Names

Our success largely depends on the ability to maintain and grow the value of our Company and brands within current and future markets. Maintaining, promoting and positioning Asset Direct and our brands will depend on, among other factors, the reliability and usability of our product, measurable improvements for our client's operations, a friendly and approachable brand, and our ability to provide a consistent, high-quality user experience for all participants. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of users or buyers, including adverse publicity or a

governmental investigation or litigation, could significantly reduce the value of our brand and adversely affect our business, results of operations and financial condition.

Competition and Market Risks

If we fail to compete effectively against larger, more established companies with greater resources, then our business may suffer. There can be no assurance that our current or future products or services and the results of our business development efforts will result in products or services that will be viable for any commercial applications and, if viable, that potential customers will utilize the products and services for the purposes intended. Increased competition may result in price reductions, reduced margins and loss of market share, any of which could materially and adversely affect our business. The Issuer may not be able to compete successfully against current and future competitors and the failure to do so would harm the Issuer's business.

Our growth in part depends on our ability to develop and market new financial products and ancillary services (e.g., insurance) and improvements to our existing services that appeal to consumer preferences. Failure to develop and successfully market and sell new products may inhibit our growth, sales and profitability.

Development Stage of Business Risks

We have only a limited history upon which an evaluation of our prospects and future performance can be made. Our operations are subject to all business risks associated with new enterprises and require qualified teams and management in order to execute on those plans. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry and the development of a customer base. There is a possibility that Asset Direct could sustain losses into the future and not be able to continue operations.

Failure to Retain Current Customers and Recruit New Customers

In order for us to maintain our success and increase revenue and operate profitably, we need to acquire and retain partners and customers, so that they continue to purchase, market and use our products and services. We may fail to acquire or retain customers across our distribution channels due to negative value and quality perceptions, market competition, a lack of new and relevant products or failure to deliver customers' orders in a timely manner.

Further Need for Debt or Equity Financing

We may have to sell additional securities including further equity securities and convertible securities, the effect of which will result in a dilution of the equity interests of any existing shareholders. The Issuer may also need to raise capital by incurring long term or short-term indebtedness in order to fund business objectives. Securityholders are cautioned that there

can be no assurance as to the terms of such financing and whether such financing will be available. The level of indebtedness could impair our ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise, as well, the associated interest payments could limit the free cash flow available for investment and allocation towards growth initiatives and regular business operations.

History of Losses and Negative Operating Cash Flow

We have incurred net losses and negative operating cash flow since founding and cannot assure that we will become profitable or avoid net losses into the future or that there will not be any earnings or revenue declines for any future quarterly or other periods. Additionally, we expect that our operating expenses will increase into the future, including expending substantial resources for sales, marketing, product development and other growth-related expenses. As a result, any decrease or delay in generating revenues could result in material operating losses that may not be sustainable.

We are Subject to Risks Associated with Foreign Operations

A significant portion of our expected growth will be in markets outside of Canada, including Brazil, India, and other parts of Asia. These markets and the consumers within are much different than North American counterparts and require a unique approach to entry, growth, and maintaining penetration. In our India expansion model, we have attempted to mitigate against this by employing locals at the management and operations level and letting them educate us on how their market operates. In addition, many of our partners, including SOSV, have significant expertise regarding international markets, entering new markets, and achieving global scale through their networks. Nonetheless, we cannot predict government positions on such things as foreign investment, eminent domain, intellectual property rights or taxation. While in the case of India, we maintain a duly registered subsidiary incorporated under local law, that may not be how we conduct operations in the future. A change in government positions on these issues could adversely affect our business.

LEGAL RISKS

Intellectual Property Management, Protection and Policy

The ownership and protection of our intellectual property (IP) is a significant aspect of our current and future success. Our business model requires the licensing or ‘white-labelling’ of our platform to service providers, which is facilitated and protected through a combination of copyright and contractual provisions. In the event of actual or alleged infringement or contravention of rights, we may be forced to cease using these processes, marks and names, or seek action to stop the use of the same.

There is no assurance that competitors will not develop similar branding, technology, business methods or that we will be able to enforce our perceived legal rights. In addition,

effective intellectual property protection may be unenforceable or limited in certain countries, and in all cases, the pursuit of any legal remedy needs to be weighed against the likelihood of success, the feasibility of an action, and the opportunity costs, both financial as it relates to the potential incurred costs, and the use of time as a deviation from other business and strategic goals. Any encumbrance or issue regarding our IP, such as those described above, could have a negative impact on our earnings and ability to continue the operations of the Company.

Loss of Information and Data Breaches

Through use of our application and software, we gather certain non-identifiable user information on both selling agents and end-applicants. As such, we are exposed to the legal and reputational risk of the loss, misuse or theft of any such information. Cyber security has become an increasingly problematic issue for businesses in Canada and around the world, particularly for us and the financial services industry. A cyber-attack could compromise confidential information and may result in negative consequences, including remediation costs, loss of revenue, regulatory scrutiny, litigation and reputational damage. As a result, we continually monitor for malicious threats and adapt accordingly in an effort to ensure we follow industry best practices and maintain high privacy and security standards.

Potential of Litigation against the Company or its Officers or Directors

Asset Direct may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Asset Direct's operations, and the value of their securities. While the Company will assess the merits of any lawsuits and defend such lawsuits accordingly, we may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on our operations.

GLOBAL RISKS

Coronavirus-2019 Pandemic

The global COVID-19 pandemic and containment measures taken in response to it have adversely impacted our business, results of operations, capital spending, business planning, and financial condition, and may continue to do so depending on future developments, which are uncertain.

Global health concerns relating to the COVID-19 outbreak have impacted the macroeconomic environment, and the outbreak has significantly increased economic uncertainty. The outbreak resulted in governments in countries across the globe implementing measures to try to contain the virus, such as travel restrictions, social distancing, and restrictions on business operations which have impacted consumers and businesses. These measures have adversely impacted and may further impact our

workforce and operations and the operations of our business partners, customers, stakeholders, and suppliers. While some of these measures have eased in certain jurisdictions, others have remained in place. The extent to which current health measures are removed or new measures are put in place will depend on how the pandemic evolves, as well as the progress of the local and global roll-out and acceptance of vaccines. Such roll-out and reporting to date suggests that efforts to vaccinate India and Brazil is not achieving the same are lagging the p seen in countries such as Canada.

The spread of COVID-19 has caused us to modify our business practices (including employee travel and work locations), and we may take further actions as required by government authorities or that are in the best interests of our employees, clients and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus or otherwise be satisfactory to government authorities. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a global pandemic, and, as a result, the ultimate impact of COVID-19 or a similar health epidemic is highly uncertain and subject to change. The extent to which COVID-19 further impacts our business, results of operations and financial condition will depend on future developments, which are uncertain, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse impacts to our business and our result of operations as a result of its global economic impact, including any recession that has occurred or may occur in the future.

Geopolitical Risk

Occurrence of global events, similar to those in recent years such as war, terrorist attacks, natural or environmental disasters, civil instability or political protests, market recessions or depressions, epidemics or pandemics, state laws and government initiatives including foreclosure and eviction moratoria, market instability, debt crises and downgrades, embargoes, tariffs, sanctions, trade barriers and other governmental trade or market control programs, or any other geopolitical event may result in market volatility and may have long-lasting impacts on both the Canadian, U.S. and global financial markets. Additionally, those events, as well as other changes in foreign and domestic political and economic conditions, could adversely affect the Issuer, securities markets, interest rates, secondary trading, credit ratings, inflation, investor sentiment and other factors affecting the value of an investment in the Issuer.

Item 10: REPORTING OBLIGATIONS

10.1 Nature and Frequency of Information Disclosure to Security Holders

The Company will be required to Form 45-106F1 *Report of Exempt Distribution* (“**45-106F1**”) upon any distribution under this offering that is facilitated by FrontFundr. At that time, the Company will no longer be considered a “private issuer” as defined in NI 45-106, and Asset Direct will be obligated to file 45-106F1 each time that it distributes securities pursuant to a prospectus exemption in the future.

The filings above would be delivered to (i) the British Columbia Securities Commission, (ii) the Ontario Securities Commission, or (iii) the System for Electronic Document Analysis and Retrieval (SEDAR) for any other Canadian jurisdiction.

10.2 Nature and Frequency of Financial Disclosure to Security Holders

Asset Direct is not, nor will be it will after completion of this offering, a “reporting issuer” as that term is defined in applicable securities legislation. As a corporation formed under the Act, the Issuer is required to provide shareholders with financial statements and any further information respecting to the financial position of the corporation as may be required by the Act.

10.3 Information about the Issuer’s Voting Trust Agreement

Unless otherwise waived by the Issuer, subscribers under this offering will enter the Voting Trust Agreement discussed in **Item 3.3** and **Item 5.6**. A copy of the applicable Voting Trust Agreement is available for review upon request to the funding portal.

- (a) Number of shareholders party to the agreement: Zero (0). No shareholders are party to the agreement as the deposited securities is the SAFE offered herein; there are a total of 38 securityholders party to the agreement.
- (b) Percentage of voting shares subject to the agreement: Zero (0)
- (c) Name of person appointed as trustee: Adam Rice
- (d) Additional powers of the trustee: Subject to the Drag-Along Approval, the Trustee will have powers pursuant to the Drag-Along Obligations, including ability to execute such necessary documents and take such other action on behalf of the shareholder as may be necessary in support of a Sale of the Corporation. See Article 3.7 of the agreement for complete terms and Item 5.6 of this Offering Document for further information.
- (e) Term of the agreement: The agreement will be cancelled at the earlier of (i) March 31, 2043, (ii) dissolution or bankruptcy of the Company, (iii) public offering/trading of the Company’s securities, or (iv) written consent of Trustee and Company.

Item 11: RESALE RESTRICTIONS

11.1 The securities you are purchasing are subject to a resale restriction. You might never be able to resell the securities.

Item 12: PURCHASERS' RIGHTS

12.1 Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right:

- (a) to cancel your agreement with the Issuer buy these securities, or**
- (b) to damages against the Issuer and may, in certain jurisdictions, have the statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraphs (a) or (b) above, you must do so within strict time limitations.

12.2 Two-day Cancellation Right

You may cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal (at support@frontfundr.com) not later than midnight on the second business day after you enter into the subscription agreement. If there is an amendment to this Offering Document, you can cancel your investment to purchase these securities and receive a full refund by sending a notice to the funding portal not later than midnight on the second business day after the funding portal provides you with notice of the amendment.

Item 13: DATE AND CERTIFICATE

13.1 This Offering Document does not contain a misrepresentation.

13.2 This Offering Document is certified and signed by the undersigned officer on July 6, 2022.

13.3 I acknowledge that I am signing this Offering Document electronically and agree that this is the legal equivalent of my handwritten signature.



Adam Rice, CEO and Director