

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Legible Inc. (“**Legible**” or the “**Company**”)
2230 Ontario Street
Vancouver, BC V5T 2X2

2. Date of Material Change

July 14, 2023.

3. News Release

News release dated July 14, 2023 was disseminated through the facilities of Business Wire and subsequently filed on SEDAR at www.sedar.com.

4. Summary of Material Change

On July 14, 2023, Legible announced technology updates and closed the second tranche of its private placement of units for gross proceeds of \$612,780.

5. Full Description of Material Change

Legible announced a major update to the Company's proprietary AI-based curation tool, LibrarianAI, which offers conversational book discovery, enabling readers to find and buy eBooks directly on Legible's browser-based eBookstore streaming over 2 million titles.

Major enhancements to the LibrarianAI include seamless discovery, reading, and interaction via precise, personalized recommendations. The LibrarianAI now has improved ability to comprehend complex literary queries, increasing proficiency in providing suggestions based on research topics. Readers can also now save and share LibrarianAI conversation threads via links, and create shareable literary journals, sets of book recommendations, and curriculum reading lists with links to books.

LibrarianAi is being installed throughout the Company's products and operations, including the forthcoming Legible Unbound membership, W antler app for offline reading, audio book catalogues, and more. Legible is championing ethical AI use that honours the rights of publishers and authors on its platform.

The Company also announces that, further to its June 6, 2023 News Release, it has closed the second tranche of its \$1,500,000 non-brokered Private Placement (the "Private Placement") of units ("Units"). The Company issued 6,808,664 Units at \$0.09 per Unit for gross proceeds of \$612,780 including approximately \$163,550 in settlement of outstanding indebtedness. Each Unit consists of one common share ("Common Share") and one whole Common Share purchase warrant ("Warrant") with each Warrant entitling the holder to acquire 1 Common Share at a price of \$0.12, at any time prior to 5:00 pm (Vancouver time) on the date that is one year from the closing date, provided that if the volume weighted average trading price of the Common shares is at least \$0.25 per Common Share for a period of 5 consecutive trading days, the expiry date of the Warrants may be accelerated by the Company to a date that is not less than 21 days after the date that notice of such acceleration is provided to the Warrant holders by way of a press release.

This brings the total amount raised under the Private Placement to \$1,371,383. Based upon this demand, and subject to regulatory approval, the Private Placement is being increased to \$2 Million.

Legible expects to close the final tranche of the Private Placement in the coming weeks. The Company intends to use the proceeds for general working capital purposes including technology development, product and feature releases, marketing awareness and conversion campaigns. All securities issued in connection with the Private Placement are subject to a hold period that expires on November 14, 2023. There were finders fees paid to qualified individuals in the amount of \$25,208 in cash and 280,089 in Warrants with respect to the closing of the second tranche of the Private Placement.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The name and business number of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Kaleeg Hainsworth
Chief Executive Officer
Phone: 1-672-514-2665

9. Date of Report

July 24, 2023.