

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cybeats Technologies Corp. (the "**Company**")
65 International Blvd., Suite 202
Etobicoke, Ontario M9W 6L9

2. **Date of Material Change**

January 25, 2024

3. **News Release**

A press release disclosing the material change was released on January 25, 2024, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company closed a non-brokered private placement through the issuance of 2,025 debenture units (each, a "**Debenture Unit**") in the capital of the Company at a price of \$1,000 per Debenture Unit for gross proceeds of \$2,025,000 (the "**Offering**"), as further detailed below. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

5. **Full Description of Material Change**

On January 25, 2024 the Company closed the Offering through the issuance of 2,025 Debenture Units for gross proceeds of \$2,025,000.

Each Debenture Unit was comprised of: (i) a \$1,000 in principal amount of unsecured convertible debentures (the "**Debentures**"); and (ii) 3,333 common share purchase warrants (each, a "**Warrant**"). Each Warrant shall entitle the holder to purchase one common share (each, a "**Warrant Share**") in the capital of the Company at an exercise price of \$0.40 per Warrant Share for a period of twenty-four (24) months from the date of issuance (the "**Issue Date**").

The Principal Amount of the Debentures, and any accrued and unpaid interest, will mature and become due and payable in cash on the date that is 24 months from the Issue Date (the "**Maturity Date**"). The Principal Amount owing under the Debentures will accrue interest from the date of issuance at 12% per annum, payable every twelve (12) months in cash. The first interest payment will be made twelve (12) months from the Issue Date and will consist of interest accrued from and including the Issue Date.

The Principal Amount on the Debenture is convertible into common shares in the capital of the Company (each, a "**Share**") at the option of the holder, in whole or in part, at any time following the Issue Date at the conversion price of \$0.30 per Share (the "**Conversion Price**"). Upon conversion of the entire Principal Amount of the Debenture, the holder of the Debenture will receive any accrued and unpaid interest thereon from and including the period of the last interest payment date on the Debenture prior to the date of conversion to the date that is one business day prior to the date of conversion (the "**Date of Conversion**"). In the event that the Shares trade on

the Canadian Securities Exchange at or above \$0.60 for a period of twenty (20) consecutive trading days at any time following the date that is four months and one day from the Issue Date, the Company shall force the Principal Amount of the Debentures to convert at the Conversion Price (the "**Forced Conversion**"). The Company shall issue a press release announcing the Forced Conversion and the Principal Amount of the Debentures shall convert five (5) business days following the issuance of the press release.

In connection with the Offering, the Company paid certain eligible finders a cash commission in the aggregate of \$3,150.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

In connection with the Offering, an aggregate of 210 Debenture Units were acquired by an insider of the Company.

(b) the purpose and business reasons for the transaction:

Gross proceeds raised from the Offering will be used for working capital and general corporate purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

Gross proceeds raised from the Offering will be used for working capital and general corporate purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Offering, the following securities were issued to insiders of the Company:

Name of Insider	Position	Number of Debenture Units Purchased	Aggregate Purchase Price
Raiter Design Inc. ⁽¹⁾	Director	210	\$210,000
TOTAL:		210	\$210,000

Notes:

(1) A corporation beneficially owned and controlled by Mr. Yoav Raiter, a director of the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Prior to the completion of the Offering, Mr. Raiter, held, directly or indirectly 100,000 Common Shares, 100,000 Warrants, and 1,260,000 Stock Options. Upon closing of the Offering, Mr. Raiter holds an aggregate of 100,000 Common Shares, 799,930 Warrants, 210 Debentures and 1,260,000 Stock Options, representing approximately 0.09% of the issued and outstanding Common Shares on an undiluted basis and approximately 2.74% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on January 23, 2024 approving the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements for Debenture Units, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Offering constituted a related party transaction within the meaning of MI 61-101 as an insider of the Company subscribed for 210 Debenture Units. The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the participation in the Offering by the insider does not exceed 25% of the market capitalization of the Company in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

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

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact James Van Staveren, Corporate Development of the Company at 1 (888) 713-7266.

9. **Date of Report**

This report is dated at Toronto, this 31st day of January, 2024.

Cautionary Statement Regarding Forward-Looking Information

This material change report contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.