

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

SpotLite360 IOT Solutions, Inc. (the “Company”)
Suite 810 - 789 West Pender Street
Vancouver, British Columbia V6C 1H2

Item 2 Date of Material Change

March 3, 2022

Item 3 News Release

A news release was disseminated on March 3, 2022 through Globe Newswire and subsequently filed on SEDAR and posted on the CSE disclosure hall.

Item 4 Summary of Material Change

The Company announces that it entered into a binding definitive agreement with E3 Service Group (“E3”) dated March 2, 2022 under which the Company will acquire a majority equity interest in E3. Consideration for the acquisition will be US \$1.0 million cash and 20,000,000 common shares at CAD \$0.20 per share (collectively, the “Consideration Shares”). Cash will be paid from company treasury in two equal amounts, with US\$500,000 to be paid upon closing of the transaction and the balance paid on or before the one-year anniversary of the closing. The Consideration Shares will be subject to the statutory four (4) month and one (1) day statutory hold period and a concurrent 12-month lock-up whereby the initial 25% of the Consideration Shares will be released on closing with the remaining 75% of the Consideration Shares released in equal tranches on the 6th, 9th and 12th month from closing. E3 also has the opportunity to earn up to 3,000,000 warrants (each a “Warrant”) to purchase a common share of Company upon achieving performance-based milestones over the successive 12 months following the closing. Each Warrant is exercisable for a period of 36 months from closing to purchase one additional common share at \$0.20 per common share. Upon completion of the transaction, E3 will operate as a subsidiary of SpotLite360 IOT Solutions, Inc. The shareholders of E3 who are vending a majority interest in E3 to the Company are arm's-length to the Company.

Item 5 Full Description of Material Change

See the attached news release.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

James Greenwell, Chief Executive Officer

Business Telephone: 604-687-2038

Facsimile: 604-687-3141

Item 9 Date of Report

March 4, 2022



SpotLite360 IOT Solutions, Inc. Executes Definitive Agreement to Acquire Majority Interest in E3 Service Group

DENVER and VANCOUVER, March 3, 2022, SPOTLITE360 IOT SOLUTIONS, INC. (“SpotLite360” or the “Company”) (CSE: LITE) (OTC: SPLTF) (Frankfurt: 87A) announces that it has entered into a binding definitive agreement with E3 Service Group (“E3”) dated March 2, 2022 under which SpotLite360 will acquire a majority equity interest in E3. Pursuant to the November 15, 2021 announcement of entering into a non-binding Letter of Intent, the Company conducted due diligence, finalized negotiations and documented the framework of an acquisition transaction. The transaction is anticipated to close in early March 2022 and is subject to applicable filings with the Canadian Securities Exchange.

E3 has successfully built an award winning design, engineering and implementation practice in the agricultural/cannabis environmental space. With 300 plus engineering projects in 13 states, E3 has supported customers and investors with event driven data to ensure that optimal environmental conditions are maintained for indoor cultivation facilities around the world. As a result, E3 customers experience an increase in production, higher quality products, and greater profitability. The integration of the SpotLite360 supply chain technologies and software with the operational capabilities of E3 will create a broader product portfolio capable of capturing additional event driven environmental and facility information along with proof of sustainability, chain of custody and ESG (environmental, social and governance) data.

James Greenwell, President and CEO of SpotLite360 commented, “Working together, SpotLite360 and E3 will deliver a unique suite of solutions and services to customers to improve operational efficiency, provide unprecedented supply chain transparency, and maximize profitability. Real time information derived from a variety of IoT sensors along with video integration, comprehensive analytics and workflow automation will result in a more collaborative and efficient supply chain. We are excited to announce new product and service innovations that will drive agricultural industry best practices.”

Consideration for the acquisition will be US \$1.0 million cash and 20 million shares of SpotLite360 stock (LITE.CN) at CAD \$0.20 per share (collectively, the "**Consideration Shares**"). Cash will be paid from company treasury in two equal amounts, with US\$500,000 to be paid upon closing of the transaction and the balance paid on or before the one year anniversary of the closing. The Consideration Shares will be subject to the statutory four (4) month and one (1) day statutory hold period and a concurrent 12-month lock-up whereby the initial 25% of the Consideration Shares will be released on closing with the remaining 75% of the Consideration Shares released in equal tranches on the 6th, 9th and 12th month from closing. E3 also has the opportunity to earn up to 3.0 million warrants (each a "**Warrant**") to purchase a common share of SpotLite360 upon achieving performance based milestones over the successive 12 months following the closing. Each Warrant is exercisable for a period of 36 months from closing to purchase one additional common share at \$0.20 per common share. Upon completion of the transaction, E3 will operate as a subsidiary of SpotLite360 IOT Solutions, Inc. The shareholders of E3 who are vending a majority interest in E3 to the Company are arm's-length to the Company.

Bryson Guyer, Founder E3 Service Group added "We have a vision of creating a national customer-first culture. With our history of cultivation design leadership, our engineering and designs have proven to maximize optimal environmental conditions and operational productivity. The combination of engineering and supply chain technologies will drive sustainability, additional efficiency, much needed transparency and proof of ESG (environmental, social and Governance) claims. We are extremely excited to deliver this suite of capabilities to a rapidly maturing market."

In connection with the closing of the acquisition, the Company will pay a finder's fee of 5% of the value of the consideration paid, in common shares at a deemed value of CAD \$0.20 per common share to an arm's length party.

None of the securities issued in connection with the acquisition of the majority interest in E3 will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them will be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

On behalf of the Board of Directors of the Company,

SpotLite360 IOT Solutions, Inc.

"James Greenwell"

James Greenwell, President and CEO

For more information about SpotLite360, please visit: <http://spotlite360.com>

Charles Lee

Investor Relations and Media Inquiries
+1 (720) 830-6120
ir@spotlite360.com

THE CANADIAN SECURITIES EXCH (“CSE”) HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE, NOR HAS OR DOES THE CSE’S REGULATION SERVICES PROVIDER.

About SpotLite360 IOT Solutions, Inc.

SpotLite360 is a logistics technologies solutions provider unlocking value, opportunities, and efficiencies for all participants in a supply chain. Building upon existing applications of IoT technologies, distributed ledgers, and machine learning, SpotLite360 endeavours to set new standards of transparency, integrity, and sustainability in the pharmaceutical, healthcare, and agriculture industries. As regulators across the globe begin to impose new tracing and accountability requirements for the protection of consumers (e.g., DSCSA and FSMA from the U.S. Food and Drug Administration), the need for reliable, cost-effective, and versatile tracking technology is expected to grow considerably. SpotLite360’s flagship SaaS solution has been engineered to seamlessly track the movement of a product by integrating with systems of all major stakeholders in a supply chain ranging from the raw materials to the hands of the end consumer. With a primary objective of onboarding new clients in 2021, SpotLite360 plans to explore innovative use cases for its proprietary stack of technologies which could transform logistics workflows in some of the world’s largest industries.

Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation, with respect to the Company. The forward-looking information included in this news release is not based on historical facts, but rather on the expectations of the Company’s management regarding the future growth of the Resulting Issuer, its results of operations, performance, business prospects, and opportunities. This news release uses words such as “will”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions to identify forward-looking information. Such forward-looking information reflects the current beliefs of the Company’s management, based on information currently available to them.

This forward-looking information includes, among other things, statements relating to: the integration of the E3 operations into the Company’s current operations, the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; anticipated developments in operations of the Company; market position, ability to compete, and future financial or operating performance of the Company; the timing and amount of funding required to execute the business plans of the Company; capital expenditures of the Company; the effect on the Company, of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional

capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; our expectations regarding revenues, expenses and anticipated cash needs.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and there can be no assurance that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the expectations and predictions of the Company is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed in the Company's non-offering prospectus dated May 26, 2021.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements. Information contained in forward-looking statements in this news release is provided as of the date of this news release, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements, or the information contained in those statements.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

Statement Regarding Third-Party Investor Relations Firms

Disclosures relating to investor relations firms retained by SpotLite360 IOT Solutions, Inc. can be found under the Company's profile on <http://sedar.com>.