VSBLTY GROUPE TECHNOLOGIES CORP.

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2018

Dated April 30, 2019

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INTRODUCTORY NOTES

Date of Information

All information contained in this Annual Information Form ("**AIF**") is current as of December 31, 2018 with subsequent events disclosed to April 30, 2019.

Currency and Exchange Rates

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This AIF contains certain statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this AIF and VSBLTY Groupe Technologies Corp. (the "**Company**") does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This AIF uses words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", and other similar expressions to identify forward-looking information. Such statements include the proposed use of available funds; the objectives and business plans of the Company; the deemed exercise of the Special Warrants on the Special Warrants Exercise Date; the share capital of the Company; the executive compensation of the Company; proposed option grants by the Company; and the composition of the Board and management of the Company.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this AIF include the Company's ability to obtain listing approval from the CSE and key personnel and qualified employees continuing their employment with the Company.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

For a more detailed discussion of certain of these risk factors, see "Risk Factors" below.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF.

"**Acquisition**" means the acquisition of VSBLTY, Inc. by the Company pursuant to the Merger Agreement, which was completed on February 15, 2019.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto.

"**Board**" means the Board of Directors of the Company.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**CCO**" means Chief Compliance Officer.

"**Closing**" means the closing of the Acquisition.

"**Common Share**" means a common share in the capital of the Company.

"**company**" means unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Company" or "VGT**" means VSBLTY Groupe Technologies Corp., a company organized under the laws of British Columbia.

"**Debentures**" has the meaning set forth under "Description of the Business – General".

"**Delaware General Corporation Law**" means the Delaware General Corporation Law (Title 8, Chapter 1).

"**Escrow Agreement**" means the NP 46-201 escrow agreement entered into among the Company, the Escrow Agent and certain shareholders of the Company.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Exchange Requirements**" means the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

"**Merger Agreement**" means the merger agreement dated December 12, 2018 among VSBLTY Groupe Technologies Corp., U.S. Subco and VSBLTY, Inc.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Partnership Units**" means partnership units of VSBLTY, L.P.

"**Performance Shares**" means up to 3,000,000 Common Shares issuable to certain officers and senior management of the Company, subject to the achievement of the following performance milestones: (i) 1,000,000 Common Shares upon the Company achieving $2,000,000 in revenue in the 2019 fiscal year based on audited financial statements; (ii) 1,000,000 Common Shares upon the Company achieving $4,000,000 in revenue in the 2020 fiscal year based on audited financial statements; and (iii) 1,000,000 Common Shares upon the Company's release of the OPENVINO software to the general public.

"**Person**" means a company or individual.

"**Private Placement**" means the non-brokered private placement of the Company of 14,600,000 Special Warrants for gross proceeds of $4,380,000, which was completed on October 17, 2018 and which resulted in the deemed exercise of Special Warrants for 14,600,000 Common Shares and 7,300,000 Warrants.

"**Shareholders**" means holders of Common Shares.

"**Special Warrants**" means the special warrants issued by the Company pursuant to the Private Placement at a price of $0.30 per Special Warrant, each of which was deemed exercised for one Common Share and one-half of one Warrant on the Special Warrant Exercise Date.

"**Special Warrant Exercise Date**" means February 18, 2019, being the date that each Special Warrant was deemed exercised into one Common Share and one-half of one Warrant.

"**Stock Option Plan**" means the 10% rolling share option plan of the Company adopted by the Board effective as of December 17, 2018, providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange.

"**Trigger Event**" means the event which allows the Company to abridge the exercise period of the Warrants if the ten-day volume-weighted average trading price of the Common Shares is greater than $0.50.

"**United States**" or "**U.S.**" means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"U.S. Subco" means VSBLTY Merger Co., a corporation organized under the laws of Delaware and wholly-owned by the Company which was merged into VSBLTY, Inc., with VSBLTY, Inc. as the surviving entity.

"**Warrants**" means common share purchase warrants of the Company.

"**Warrant Shares**" means the Common Shares issuable upon exercise of the Warrants.

"**VSBLTY Common Shares**" means shares of common stock in the capital of VSBLTY, Inc.

"**VSBLTY Debentures**" means debentures issued by VSBLTY, Inc.

"**VSBLTY, Inc.**" means VSBLTY, Inc., a corporation organized under the laws of Delaware.

"**VSBLTY, L.P.**" means VSBLTY, L.P., a limited partnership existing under the laws of Delaware which is the predecessor entity of VSBLTY, Inc.

"**VSBLTY Shareholders**" means holders of VSBLTY Common Shares prior to the Closing of the Acquisition.

"**VSBLTY Warrants**" means common share purchase warrants of VSBLTY, Inc. existing prior to the Closing of the Acquisition.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated under the BCBCA on August 1, 2018 under the name "1174237 B.C. Ltd." On September 21, 2018, the Company changed its name to "VSBLTY Groupe Technologies Corp."

The head office of the Company is Suite 300, 417 North 8th Street, Philadelphia, Pennsylvania 19123 and the registered and records office of the Company is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7.

The Company's Common Shares are listed on the CSE under the trading symbol "VSBTY". The Company is a reporting issuer in Canada in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

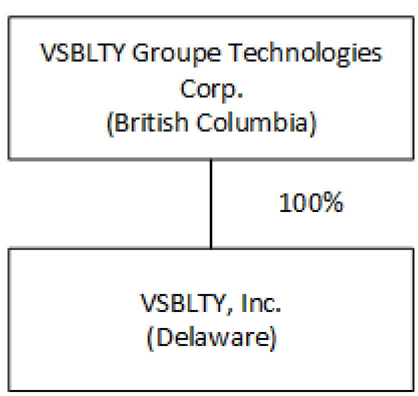
The principal business of the Company is the business of its wholly-owned subsidiary, VSBLTY, Inc. VSBLTY, Inc. is a software company in the business of commercializing digital display and intelligent analytics.

Intercorporate Relationships

The Company has one wholly-owned subsidiary, VSBLTY, Inc., a corporation formed under the Delaware General Corporate Law on December 12, 2018 in the State of Delaware under the name "VSBLTY, Inc." Prior to entering into the Merger Agreement, VSBLTY, L.P. was converted into a C corporation, VSBLTY, Inc., under Delaware law which was accomplished through the formless conversion statute (DE conversion from unincorporated entity to DE Corp – DGCL 265), thereby converting all partnership units in VSBLTY, L.P. to common stock in VSBLTY, Inc. VSBLTY, L.P. was then merged into VSBLTY, Inc. by filing a certificate of merger and distributing the common stock held by VSBLTY L.P. proportionately to the other common stock holders of VSBLTY, Inc. so that ownership interests remained substantially intact after such distribution. On February 15, 2019, VSBLTY, Inc. merged with U.S. Subco, with VSBLTY, Inc. being the surviving entity.

VSBLTY, Inc.'s head office is located at Suite 300, 417 North 8th Street, Philadelphia, Pennsylvania 19123. VSBLTY, Inc.'s registered office is located at The Corporation Service Company, 251 Little Falls Drive, City of Wilmington, New Castle County, DE 19808.

After the completion of the Acquisition, the principal business of the Company became the business of VSBLTY, Inc. The organizational chart for the Company is as follows:



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

When VSBLTY, L.P. was formed in July 2015, the intellectual property from Actus Interactive Software LP ("**Actus LP**"), a limited partnership majority owned by Jay Hutton and Tim Huckaby, was transferred into VSBLTY, L.P. and formed the basis of the VSBLTY L.P.'s first product. In consideration for such intellectual property, VSBLTY, L.P. issued 19.942 Class A partnership units to Actus LP.

The primary objective of VSBLTY, L.P. was to secure initial market success that would validate the product, the market and the overall value proposition of VSBLTY L.P. A series of pilot deployments were secured for large consumer-packaged food brands, which provided the necessary validation for VSBLTY, L.P. that allowed its products to be tested.

On June 14, 2016, the outstanding units of VSBLTY, L.P. were split on the basis of 40,000 new units for each one (1) existing unit.

In and around February 2017, VSBLTY L.P. raised approximately $500,000 pursuant to certain loan agreements with unit holders at the time. In accordance with the loan agreements, each holder also received certain warrants exercisable at a strike price of $1.31 per unit.

On August 24, 2018, VSBLTY, L.P. issued secured debentures ("**Debentures**") in the aggregate principal amount of $500,000. In accordance with their terms, such Debentures converted into VSBLTY Common Shares immediately prior to closing of the Acquisition, and were then exchanged for an aggregate of 10,000,000 Common Shares pursuant to the Acquisition based on each holder of Debentures receiving a number of VSBLTY Common Shares equal to the number of VSBLTY Common Shares that would be required for the holders of the Debentures to receive one Common Share for each $0.05 of principal amount outstanding under the Debentures.

On September 17, 2018, VSBLTY, L.P. issued additional Debentures in the aggregate principal amount of $1,000,000. In accordance with their terms, such Debentures converted into VSBLTY Common Shares immediately prior to closing of the Acquisition, and were then exchanged for an aggregate of 10,000,000 Common Shares pursuant to the Acquisition based on each holder of Debentures receiving a number of VSBLTY Common Shares equal to the number of VSBLTY Common Shares that would be required for the holders of the Debentures to receive one Common Share for each $0.10 of principal amount outstanding under the Debentures.

Upon conversion of the Debentures, accrued interest on the Debentures was forfeited in accordance with the terms of the Debentures.

The Company was incorporated on August 1, 2018 and, prior to the Acquisition, did not carry on any active business or operations. The principal business of the Company had been to identify and evaluate businesses and assets with a view to completing a going public transaction and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange.

On October 17, 2018, the Company completed the Private Placement of an aggregate 14,600,000 Special Warrants at a purchase price of $0.30 per Special Warrant for aggregate gross proceeds of $4,380,000. In connection with the Private Placement, the Company paid aggregate finder's fees of $228,128 and issued

760,426 common share purchase warrants to finders, each of which is exercisable to purchase one Common Share at a price of $0.40 per share until October 17, 2019, being one year from the closing date of the Private Placement.

On December 12, 2018 and December 13, 2018, the Company advanced US$600,000 and US$400,000, respectively, to VSBLTY, Inc. pursuant to a promissory note.

The Company entered into Merger Agreement effective December 12, 2018 with respect to the Acquisition of VSBLTY, Inc. by the Company. The Acquisition was completed on February 15, 2019. The Acquisition resulted in the merger of VSBLTY, Inc. and U.S. Subco, with VSBLTY, Inc. as the surviving entity, with the result that VSBLTY, Inc. became a wholly-owned subsidiary of the Company. Pursuant to the Acquisition, the VSBLTY Shareholders received Common Shares in exchange for their VSBLTY Common Shares, on the basis that each VSBLTY Common Share issued and outstanding before the Acquisition was exchanged for 7.21228396 fully paid and non-assessable Common Shares.

Prior to the Closing of the Acquisition, all of the VSBLTY Debentures were converted into VSBLTY Common Shares in accordance with their terms and all of the outstanding VSBLTY Warrants were exercised for VSBLTY Common Shares for no additional consideration. The VSBLTY Common Shares issued upon conversion of the VSBLTY Debentures and exercise of the VSBLTY Warrants were exchanged for Common Shares pursuant to the Acquisition.

In connection with and prior to the effective time of the Acquisition, debts of VSBLTY, Inc. in the aggregate amount of US$656,409.77 (the "**VSBLTY Converting Debt**") were settled in consideration for an aggregate of 395,708 VSBLTY Common Shares, resulting in each of the holders of the VSBLTY Converting Debt receiving one Common Share in the Acquisition for each US$0.23 of VSBLTY Converting Debt for a total of 2,853,956 Common Shares.

The holders of VSBLTY Common Shares as of the effective time of the Acquisition received an aggregate of 61,853,958 Common Shares.

DESCRIPTION OF BUSINESS

General

The Company operates its business through its wholly-owned subsidiary, VSBLTY, Inc.

VSBLTY, Inc. is a software company in the business of commercializing software solutions that power various types of digital display platforms. The company deploys solutions that combine interactive touch-screens and data-capture cameras and sensors, with cloud- and edge-based facial analytics. The Company employs its proprietary software as a service-based model for its subscription-based customers. Clients of VSBLTY, Inc. are able to leverage their point-of-decision brand-promotion by installing VSBLTY, Inc.'s cloud- and edge-based facial analytics software in retail spaces such as beverage-cooler doors, in-line and free-standing refrigerator/freezer doors, digital display screens and other customer accessible digital displays in vertical markets such as retail grocery, liquor outlets, casinos and stadiums. VSBLTY, Inc. also utilizes its facial recognition capabilities in the security business, where it can identify bad actors to assist various venues with crowd control through the identification and monitoring of dangerous persons or objects.

Trends, Commitments, Events or Uncertainties

As a participant in retail solutions, VSBLTY, Inc. assists retailers in defining a digital growth and marketing strategy. VSBLTY, Inc. brings solutions that help retailers take advantage of digital trends in retail and provides comprehensive expertise and consulting to educate its customers on how to take advantage of VSBLTY, Inc.'s products. VSBLTY, Inc.'s provision of product-education services to its customers helps position VSBLTY, Inc. as a trusted resource. However, due to the time it takes customers to develop an understanding of VSBLTY, Inc.'s technology, the selling process is slowed down and the selling cycle is lengthened. Over time, management of VSBLTY, Inc. believes that the pace of deployment will increase and sales cycles will shorten as retailers develop an understanding of the technology. However, this creates uncertainly for the management of the business and with respect to accurate projections and forecasting. VSBLTY, Inc.'s goal is to establish a brand that is trusted by retailers and brands alike to guide them through technological changes in retail. The Company will focus its resources on leveraging this trust to generate revenue and continue to build its brand.

The digital-out-of-home ("**DOOH**") market refers to digital advertising that is targeted to consumers outside their homes. Management of VSBLTY, Inc. believes that as advertisers continue to look for alternative markets they will continue to seek media and channels that can deliver the same kind of measurability that the Internet can offer. VSBLTY, Inc. believes that DOOH is expected to grow to the extent that it can provide this measurability to major brands. It is the experience of the management of VSBLTY, Inc. that brands will pay for impressions delivered that have attribution, accountability and addressability. To date, DOOH has not been able to deliver this to the same extent as the Internet. VSBLTY, Inc. provides a platform and capability that is intended to deliver this measurability.

In the security category, VSBLTY, Inc. has a similar issue. Management of VSBLTY, Inc. believes that most camera and sensor systems are too reliant on a human dependency. The guiding philosophy of machine vision with machine learning is that computers and software can be leveraged to interpret live video. Dissecting, understanding and contextualizing live video is an important capability of VSBLTY, Inc. One of the goals of VSBLTY, Inc., and others pioneering the category, is to augment human operators interpreting video and flagging security operators to anomalous or extraordinary activity.

Since inception, VSBLTY, Inc. has delivered software solutions that rely heavily upon cloud computing. However, there are many applications, particularly in DOOH and security, which will perform better and more reliably with edge processing. The consumption of algorithms in cloud computing is subject to licensing but VSBLTY, Inc. believes that it has developed technology that runs with equal reliability on the edge. This model also consumes less third party licensed algorithms. This migration from cloud to edge will allow VSBLTY, Inc. to provide solutions in both categories. VSBLTY, Inc. will support both consumption models and will have different pricing models for each. VSBLTY, Inc. expects that edge-based solutions will have an enormous impact within the next 12 months as this market further defines itself. A report published on October 3, 2017 by industry analyst Gartner, Inc. titled "Top 10 Strategic Technology Trends for 2018" (the "**Gartner Report**") identified the migration of cloud computing to the edge modality as an important trend in the technology industry.

Narrative Description

Principal Business

VSBLTY, Inc. is a software company in the business of commercializing various technologies relating to digital display platforms by combining interactive touch-screens and data-capture cameras, with cloud-and edge-based facial analytics. VSBLTY, Inc. employs its pro-active digital display ("**Pro-Active Digital Display**") software as a service-based model for its subscription-based customers. Pro-Active Digital Display actively involves the consumer at the point of its purchase decision through its interactive touch-screen display, while capturing key performance indicators including data regarding (i) total brand impressions, engagements and interactions, (ii) unique and returning viewers, (iii) gender, and age of viewers, (iv) opt ins, (v) dwell time, and (vi) emotional engagement. VSBLTY, Inc. derives periodic and rateably recurring revenue from its subscription-based product licenses, which are intended to have 12- to 36-month terms.

The company has three primary software modules. They can be licensed separately or in conjunction with one another as an integrated suite of software. The three modules are:

1. VisionCaptor, an integrated software suite that provides content management capability to a customer. A customer will utilize digital assets (photos, video, multimedia content) to provide a customer experience for a digital display. VisionCaptor is software deployed partly on the edge and partly in the cloud but is consumed using a cloud licensing model. VisionCaptor is optimized to run on multiple form factors.

2. DataCaptor, a software module that leverages camera and sensor technology along with artificial intelligence (machine learning and machine vision) to provide real time analytics and audience measurement. Some of the key measurement components include gender, age range, sentiment, dwell time, engagement level, and proximity. DataCaptor has the unique ability to drive content based upon what the cameras are seeing. The DataCaptor software informs VisionCaptor on the demographic content of the audience and instructs the Content Management System ("**CMS**") to play relevant content. An example would be content designed for a 25-year-old female as opposed to content designed for a 50-year-old male. The objective is to drive meaningful messaging demographically triggered by the machine vision. DataCaptor can be used in conjunction with the Vision Captor CMS or, in some cases, it is used as the analytics and measurement component that interfaces into foreign CMS software platforms.

3. Vector, a software module that interfaces with a comprehensive database to detect persons of interest within the camera's field of view. This can be used as a loyalty extension in retail (faces enrolled by identity) or, in a security context, looking for persons or objects of interest, at scale, in public areas or congested locations where public safety is a primary concern. Facial recognition and object recognition are the primary applications of this module.

These three independent modules give VSBLTY, Inc. a differentiated suite of software services that allow venues, retailers, or digital out of home network providers to deploy sophisticated digital content solutions, coupled with in-depth measurement and analytics as well as a security solution.

Digital Out-of-Home Advertising

DOOH signage and information advertising has historically been associated with media such as back-lit poster boards and large-form billboards situated proximate to high-traffic thoroughfares and areas where people congregate, such as transit hubs, airports, malls, sports stadiums and so on. The DOOH advertising industry is mature, is based upon well-understood revenue models, and has long-established market participants, but its effectiveness has never been reliably measurable. The revenue model for DOOH advertising is dependent upon an estimation of the numbers of eyeballs that see, or are able to see, any particular DOOH advertising displays on a daily basis. In attempting to measure this crucial eyeball-metric, advertisers use inferences to predict the likely number of eyeballs in question, based upon empirical data on situate-traffic flow. VSBLTY, Inc. believes that the eyeball metric calculation is not sufficiently reliable. As this industry matures, more industry participants view measurement (accountability and objective, auditable results) to be the next important evolution of the category. The Gartner Report suggests that better decision making will be informed by applications with an artificial intelligence foundation.

VSBLTY, Inc.'s competitive advantage in the DOOH advertising media channel is its ability, through its proprietary technological algorithms, to exploit the new promotional, analytic, and bi-directional capabilities of digital capture, display and response. The advent and proliferation of lower cost, high-bright digital-screen technology can be leveraged through the company's cloud and edge-based technology from the ability of rotating advertising images on a single physical platform.

Management of VSBLTY, Inc. believes that VSBLTY, Inc.'s products resolve the historical eyeball metric limitation inherent in the DOOH advertising industry. With the forward-facing data-collection capability of its proprietary software, VSBLTY, Inc. provides not only accurate eyeball metrics or impression counts, but also more in-depth data captured through facial analytics, such as gender, age ranges, engagement level, emotional reaction and dwell time

Strategy

Key to VSBLTY, Inc.'s business strategy is its participation in the process of new-product adoption in the digital-media messaging category. In 2014 and 2015, digital display innovation was introduced to the marketplace and it represented a breakthrough that VSBLTY, Inc. identified as a means of leverage for entry into the grocery industry. There is demand for more promotional space at retail. Impressions delivered at retail have high value because of their influence upon consumers at point of decision. As digital solutions become less expensive, the opportunity to drive innovative retail campaigns that are delivered at comparatively low cost, is a compelling proposition for a consumer-packaged goods brand.

Description of Products and Services

In the United States, VSBLTY, Inc. deals directly with its customer base. In some cases, VSBLTY, Inc. has a relationship with a channel or a systems integrator that will incorporate the software in various delivery platforms. In foreign markets, VSBLTY, Inc. appoints a regional partner or distributor and works directly with that entity in the development of that market.

The form of delivery is through a cloud-enabled license, generally supported by a services contract that defines the scope of the engagement. In some cases, VSBLTY, Inc. will perform all services articulated in the scope of work and in other cases VSBLTY, Inc. will partner with other entities for the delivery of all services. Customers do not get an executable copy of the source code. They only participate under a subscription type license that is governed by a commercial contract.

Timing and Stage of Research and Development Programs

VSBLTY, Inc. has developed and released multiple versions of the three software modules developed by the company. Because of competitive forces, customer requests, or the simple need to maintain a leadership position, the company continues to invest in research and development not only to manage the deployments in the field but also to enhance the product offerings.

VSBLTY, Inc. has sub-contracted development to two primary sources. InterKnowlogy LLC

("**InterKnowlogy**"), a Carlsbad-based custom application developer, is an entity controlled by Tim Huckaby. Mr. Huckaby is a well-known technology leader and a founder of VSBLTY, L.P. InterKnowlogy has provided critical research and proof of concept development expertise to VSBLTY, Inc. Logic Studio, based in Quito, Ecuador is a contract development entity that has been engaged by VSBLTY, Inc. for three years to build its production code.

Production and Sales

VSBLTY, Inc. holds a sub-lease for premises at 417 North 8th Street in Philadelphia, PA. The term of this lease is five years, and VSBLTY, Inc. is responsible for one third of monthly lease expenses or approximately US$2,300 per month.

VSBLTY, Inc. has invested a considerable amount of effort to articulate its supply chain. As VSBLTY, Inc. provides a software solution there are hardware requirements that are typically satisfied by one of the several hardware vendors (depending on the type of platform selected). The key vendors with whom VSBLTY, Inc. has commercial ties are as follows:

- Peerless AV – VSBLTY, Inc. utilizes kiosk hardware and outdoor high bright solutions from Peerless AV.
- Intel Corporation - All processor hardware is sourced from Intel Corporation and related entities.
- In Store Screen – Digital header and shelf strip hardware is manufactured by In Store Screen and utilized by VSBLTY, Inc. for intelligent aisle activations.
- LG/MRI – LG/MRI is one of the world's leading sources for outdoor, high bright screens as well as digital coolers and freezers.

As at December 31, 2018, VSBLTY, Inc. utilized contractors for all positions. A number of these contractors have since transitioned into full-time employees of the Company. As at the date of this AIF, the Company has 10 full-time employees and utilizes approximately 15 contractors. The number of contractors utilized by the Company varies from time to time, depending on the Company's active projects.

To date, VSBLTY, Inc. has relied on a small number of key customers. In 2016 VSBLTY, Inc. generated 54% of its revenue from one customer and in 2017 generated 33% of its revenue from one customer. See "Risk Factors – VSBLTY, Inc. is dependent on a small number of key customers for a large percentage of its revenues".

Marketing Plan

The primary goal of VSBLTY, Inc.'s 2019 marketing program is to continue to build awareness of VSBLTY, Inc. as the market leader in Proactive Digital Display for retail and security among key constituents including decision makers at key retailers, consumer-packaged good companies, stadiums, public transit hubs, and other important public spaces. Targeting influential writers within the news media and the investor community as well as individual investors will be a key focus in 2019.

The key objective of VSBLTY, Inc. is to develop meaningful deployments with national or international retailers, consumer-packaged goods or other significant partners that can, by association, establish VSBLTY, Inc. as being a leader in this quickly emerging market.

VSBLTY, Inc.'s marketing team will deploy a tactical plan across various marketing channels both on-line and off-line. Business and technology print and digital media will continue to be targeted to generate news and information about key milestones as VSBLTY, Inc. signs important and relevant service agreements in each market sector. Social media posts will support this news to provide greater reach among key constituents that follow or may become interested in following the company's story.

Participation at select industry trade shows will also continue to be a major focus for generating leads and building VSBLTY, Inc.'s market position. VSBLTY, Inc. intends to continue to leverage major strategic partners such as Intel Corporation to partner with at these shows to establish credibility, as well as realize the expense savings by being included within their footprint on the floor at international trade shows. This has been an effective tactic in the past, as VSBLTY, Inc. has been invited to numerous trade shows by its strategic partners and significant manufacturing partners.

VSBLTY, Inc. also intends to develop an updated website during 2019 to enable the company to feature more case studies and provide more information to support the growing security segment of the business. Search engine optimization and paid search will become a more important aspect of VSBLTY's marketing plan as VSBLTY, Inc. builds its use cases and closes larger scale contracts. The costs associated with the marketing plan, include approximately $50,000 dedicated to updating the website and approximately $210,000 in general marketing expenses, which will be paid to outside professionals.

Competitive Conditions

VSBLTY, Inc. has a broad product spectrum and participates in a marketplace that is still in the process of defining itself. The three critical components of the business of the company and the competitive landscape for each is described below.

Digital Signage Content Management System (VisionCaptor)

There are several hundred vendors that develop content management systems for digital platforms making this is a crowded segment of the market. Many of these software solutions only provide the ability to provide passive display (non-interactive) content. VSBLTY, Inc., with its VisionCaptor module, can provide comprehensive and scalable solutions for various digital display applications including those that require interactivity and remote management. The market leaders in the segment of the market include Scala, Broadsign and Brightsign.

DataCaptor

Leveraging proprietary software, VSBLTY, Inc. uses machine learning along with computer vision to define the nature of the audience, in real time and according to several measurement criteria. As the various markets trend toward more accountability and measurement, VSBLTY, Inc. is in an excellent position to be among the pioneers in this category. There are two primary competitors to VSBLTY, Inc. in this specific area: (i) Quvidi (based in Paris, France), and (ii) Admobilize (based in Miami Beach, Florida). Both competitors concentrate their business primarily in the measurement market with minimal solutions for CMS and security. VSBLTY, Inc.'s breadth of product and service offerings is its primary differentiator.

VSBLTY Vector

VSBLTY Vector is the security module that is capable of detecting the presence of persons of interest within a crowd of people. It does this at scale and in real time as an adjunct to existing security infrastructure and with the ability to interface with existing CCTV apparatus. The uniqueness of the VSBLTY, Inc. approach is that it couples digital display with security (facial recognition and object recognition). The philosophy is driven by the belief that facial recognition, as a technology, is more effective when connected to or delivered alongside digital display. When there is compelling content to look at, people will look. When they look, the identification of the face happens instantly and supports the immediate security cross reference.

While this combination is an innovation of VSBLTY, Inc. there is nothing proprietary about this approach (although this is the basis of a patent application by VSBLTY, Inc. which, if granted, could provide the basis of a strong defense). There are several companies that offer digital display or facial recognition as a discrete category, but VSBLTY, Inc. is not aware of any that have mature offerings in both categories. The security capability is a natural extension of measurement and since measurement (precise analytics for DOOH) has become an expectation in DOOH there are several companies aggressively developing products to allow for artificial intelligence-powered machine learning and machine vision for real time DOOH measurement. If and when this happens there will be more competition for VSBLTY, Inc. As an example, Nippon Electronics Corporation, a leading facial recognition vendor, has made announcements about merging the capabilities of their new digital signage product with security. In addition, Stratacache (based in Dayton, OH), has begun to offer commercial solutions for real time video analytics. This is further evidence that the markets are merging and growing in real terms.

Intellectual Property

Patents

To the knowledge of VSBLTY, Inc. management, the method of triggering content based on how a computer and camera interpret a scene is proprietary to VSBLTY, Inc. More specifically, the use of computer vision to govern and instruct software behaviour was pioneered by VSBLTY, Inc. It started with the simple notion that a digital sign would be able to tell if a man or a woman were present in front of the display and drive specific custom content to that audience. The idea is that the cue is taken from the environment. What is unique about the way VSBLTY, Inc. applies this concept is that the software is instructed ahead of time what parameters will be used to govern content. It can be a simple set of parameters or a more complex set, but the decision making is autonomous, and, after the fact, the software reports its performance and what it has done.

Two related patent applications have been filed by VSBLTY, Inc. to cover this innovation: (i) Patent application 15/731,334, which is related to driving content based upon a scene analysis; and (ii) Patent application 15/731,333, which is Continuation in Part related to using the innovation in conjunction with vending machine technology. Neither application has resulted in the issuance of a patent.

In addition, VSBLTY, Inc. has released multiple versions of software that constitute a comprehensive body or work and proprietary methods and capabilities. VSBLTY, Inc. expects to file additional patent applications as it continues to develop its technology.

Trademarks

VSBLTY, Inc. has applied for and received trademarks for the way it represents the various branding elements of its software. Two trademarks related to the product have been granted: (i) Trademark 87450202 – the mark consists of the letter "V" in gray to white gradient. There is an inverted red triangle in the center of the "V"; and (ii) Trademark 87450210 – an additional mark that consist of the V for VSBLTY with gradient.

Uniqueness of VSBLTY Software

VSBLTY, Inc. believes that several software elements developed by VSBLTY, Inc. are unique and may be separately patentable from any of the other VSBLTY, Inc. products, including the following:

- complex and proprietary machine learning that occurs not in the cloud where there is unlimited processing power but on the edge with local, lightweight processors. Artificial intelligence that utilized machine learning was pioneered in the cloud where processing power was essentially unlimited and accessible only through high-speed network connections. The weakest link is the network connectivity and the cost of the processing. VSBLTY, Inc. has developed superior technology that runs off low cost local processors that achieve higher performance because they need not traverse a network link that introduces latency and cost. These complex algorithms, deployed initially on the cloud infrastructure, can now be deployed on the edge (closer to where the services are consumed and without need for a network connection). This algorithm dependent, heavy lifting is essential to the proper functioning of artificial intelligence and machine learning to identify, see and track the humans within range of the camera. This is the technology which identifies and tracks humans (only limited by the capability of the camera) while performing facial recognition and measuring engagement, emotion, demographic profiles (age, race, gender);

- comprehensive SDKs (Software Development Kits) and APIs (Application Programming Interfaces) built and documented by VSBLTY, Inc. In the world of artificial intelligence, this is difficult to do and involves very complex engineering. This gives VSBLTY, Inc. the ability to rapidly develop new machine learning algorithms for as yet unanticipated applications. These capabilities are unique to VSBLTY, Inc. and provide a platform for rapid development of new machine learning models;

- proprietary technology that can conduct real time computer processing on people within the field of view at scale. This includes demographic tracking of users (age and gender), facial identification, facial recognition (in loyalty scenarios the user opts-in to be recognized), emotional satisfaction/dissatisfaction tracking (user is happy, sad, surprised, contempt, etc.), engagement tracking (user's eyes are engaged with the content or looking away), number of viewers and the level of engagement that they have with the platform in seconds and percentage of dwell, counting of people that come within "site" of the system (body counting), targeted content or advertising based on any of the audience measurement systems above, audience measurement analytics and usage analytics stored in a cloud-based database that can run sophisticated reporting for analysis;

- the web-based content manager and content designer for interactive and non-interactive content groups;

- multi-screen spanning (allowing the content and touch to span unlimited large form factor screen devices);

- edge-based body counting, the technology which tracks and counts humans within view of the camera and runs "on the edge" without the need for an internet connection to call cloud services; and

- an innovative object recognition software system based on computer vision and machine learning technology that enables the recognition of objects with a confidence level and the technology that allows the VSBLTY, Inc. software to react to recognized objects whether it be in terms or changing content or firing an event that triggers an alert. This is used in conjunction with facial recognition and digital signage to provide for weapons detection at a stadium or a school. In the retail context the object recognition can be used to analyze what objects (products) are pulled from the shelf by a shopper because of the successful delivery of a message from a digital sign.

The Company intends to continue to develop its intellectual property portfolio and pursue additional patents.

Specialized Skill and Knowledge

Our business and the provision of the services described above require a high level of specialized skill and knowledge in areas such as machine learning, computer vision and artificial intelligence.

As of the date of this AIF, VSBLTY, Inc. has 20 full-time employees and contractors, which include 3 in sales and marketing; 9 in research and development; 1 in product management; 2 in technical support and marketing; and 5 in management. The employees are split between locations in Philadelphia, Carlsbad, and Quito, Ecuador. The principal offices are in Philadelphia.

RISK FACTORS

The business of the Company is operated through its wholly-owned subsidiary, VSBLTY, Inc. Due to the nature of VSBLTY, Inc.'s business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The Company's actual performance and operating results may be very different from those expected as at the date of this AIF.

Risks Related to the Acquisition

The Company may not meet key estimates.

Actual results for the Company's operations could differ from current estimates and assumptions, and these differences may be material. In addition, development or operating activities may identify new or unexpected conditions which could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the results of operations, profitability and financial results of the Company could be materially adversely affected.

The Company will be subject to significant capital requirements associated with its expanded operations.

The Company must generate sufficient internal cash flow or be able to utilize available financing sources to finance its growth and sustain capital requirements. If the Company does not realize sufficient revenue, it could be required to raise significant additional capital through equity financings in the capital markets or to incur significant borrowings through debt financings to meet its capital requirements. If these financings are required, the Company's cost of raising capital in the future may be adversely affected. In addition, if the Company is required to make significant interest and principal payments resulting from a debt financing, the Company's financial condition and ability to raise additional funds may be adversely impacted. Any significant delay in achieving commercial production on a consistent basis or the incurring of capital costs that are significantly higher than estimated, could have a material adverse effect on the

Company’s results of operations, cash flow from operations and financial condition.

Risks Related to the Business and Technologies

The Company’s results of operations may fluctuate in the future. As a result, the Company may fail to meet or exceed the expectations of securities analysts or investors, which could cause its stock price to decline.

The Company’s results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Company’s revenues or results of operations do not meet or exceed the expectations of securities analysts or investors, the price of the Common Shares could decline substantially. In addition to the other risk factors set forth in this “*Risk Factors*” section, factors that may cause fluctuations in the Company’s revenues or results of operations include:

- failure to increase sales or attract new customers;
- failure to accurately estimate or control costs;
- the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of operations and infrastructure;
- the timing and success of new product introductions by the Company or competitors;
- variations in the demand for the Company’s products;
- maintenance of appropriate staffing levels and capabilities relative to projected growth;
- adverse judgments or settlements in legal disputes;
- the timing of costs related to the development or acquisition of technologies, services or businesses to support its existing customer base and potential growth opportunities; and
- general economic, industry and market conditions.

The Company’s revenues and results of operations on a year-over-year and sequential quarter-over-quarter basis may vary significantly in the future and that period-to-period comparison of its operating results may not be meaningful. One should not rely on the results of prior quarters, and annual growth, as an indication of future performance.

VSBLTY, Inc. has a limited operating history and may not be able to achieve financial or operational success.

VSBLTY, Inc. has only a limited operating history upon which the Company’s business can be evaluated. You should evaluate the Company’s likelihood of financial and operational success in light of the risks, uncertainties, expenses, delays and difficulties associated with an early-stage business in an evolving market, some of which may be beyond its control, including:

- the ability to successfully manage any growth it may achieve in the future; and
- the ability to successfully integrate acquired businesses, technologies or services.

VSBLTY, Inc. has a history of negative cash flow from operations. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on development and on administrative costs. The Company anticipates that it may be a few years to achieve consistent positive cash flow from operations. There is no assurance that it will be successful in achieving a return on shareholders’ investment.

Liquidity Risk and Negative Cash Flow.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. VSBLTY, Inc. reported negative cash flow from operating activities for the financial year ended December 31, 2017 and VSBLTY, Inc. has historically reported negative cash flow from operating activities for prior fiscal years. As a result of its negative cash flow, the Company may need to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow.

The Company may lose customers if it provides poor service or if its products do not meet its customers expectations.

Errors in the Company's systems resulting from the large amount of data that it collects, stores and manages could cause the information that it collects to be incomplete or to contain inaccuracies that customers regard as significant. The failure or inability of the Company's systems, networks and processes to adequately handle the data in a high quality and consistent manner could result in the loss of customers. In addition, the Company may be liable to certain of its customers for damages they may incur resulting from these events, such as loss of business, loss of future revenues, breach of contract or loss of goodwill to their business.

Concern over spyware and privacy, including any actual or perceived violations of privacy laws or perceived misuse of personal information, could cause public relations problems and could impair the Company's ability to obtain user responses of sufficient size and scope, which, in turn could adversely affect its ability to provide products.

Any perception of the Company's practices as an invasion of privacy, whether legal or illegal, may subject it to public criticism. Existing and future privacy laws and increasing sensitivity of consumers to unauthorized disclosures and use of personal information may create negative public reaction related to the Company's business practices. Any resulting reputational harm, potential claims asserted against the Company or decrease in user response could reduce the demand for its products, increase the cost of obtaining user responses, the Company's need for public relations and communications, and adversely affect the Company's ability to provide products to its customers. Any of these effects could harm the Company's business.

Any unauthorized disclosure or theft of private information of the Company may gather could harm its business.

Unauthorized disclosure of personally identifiable information in the possession of the Company whether through breach of the Company's secure network by an unauthorized party, employee theft or misuse, or otherwise, could harm its business. If there was an inadvertent disclosure of personally identifiable information that the Company gathers, or, if a third party were to gain unauthorized access to the personally identifiable information the Company may possess, the Company's operations could be seriously disrupted and it could be subject to claims or litigation arising from damages to affected parties or pursuant to the agreements with its customers. In addition, the Company could incur significant costs in complying with the multitude of provincial, U.S. state, federal and international laws regarding the unauthorized disclosure of personal information. Finally, any perceived or actual unauthorized disclosure of the information the Company collects could harm its reputation and have an adverse impact on its business.

Currently, all of the revenue generating operations of VSBLTY, Inc. are conducted outside of Canada, resulting in the general risk of foreign operations by the Company.

The only revenue generated by VSBLTY, Inc. is from the United States. The Company's operations may be adversely affected by changes in United States policies, legislation, or social instability and other factors that are not within the control of the Company. The Company's operations may also be adversely affected by laws and policies of such jurisdictions affecting foreign trade, taxation and investment. If the Company's operations are disrupted, its business may be harmed.

In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions.

If the Company fails to develop its brand, its business may suffer.

Building and maintaining awareness of the Company and its portfolio of products in a cost-effective manner is important to achieving widespread acceptance of its current and future products and is an important element in attracting new customers. Brand recognition will become more important for the Company as competition in the market increases. The Company's brand success will depend on the effectiveness of its marketing efforts and on its ability to provide reliable and valuable products to its customers at competitive prices. The Company's brand marketing activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses the Company may incur in attempting to build its brand. If the Company fails to successfully market its brand, the Company may fail to attract new customers, retain existing customers or attract media coverage to the extent necessary to realize a sufficient return on its brand-building efforts, and its business and results of operations could suffer.

Failure to effectively expand the Company's sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance.

Increasing the Company's customer base and achieving broader market acceptance of its products will depend to a significant extent on the Company's ability to expand its sales and marketing operations. The Company's business will be seriously harmed if the efforts to expand its sales and marketing capabilities are not successful or if they do not generate a sufficient increase in revenue.

If the Company is unable to sell additional products to its existing customers or attract new customers, its revenue growth will be adversely affected.

To increase revenue, the Company must sell additional products to existing customers and regularly add new customers. If the Company's existing and prospective customers do not perceive its products to be of sufficient value and quality, the Company may not be able to increase sales to existing customers and attract new customers, and its operating results will be adversely affected.

System failures or delays in the operation of the Company's computer and communications systems may harm its business.

The Company's ability to collect and report accurate data may be interrupted by a number of factors, including inability to access the Web, failure of the Company's network or software systems, computer viruses, security breaches or variability in user volume on customer Websites. A failure of network or data gathering procedures could impede the processing of data, cause the corruption or loss of data or prevent the timely delivery of products.

In the future, the Company may need to expand its network and systems at a more rapid pace than it has in the past. The Company's network or systems may not be capable of meeting the demand for increased capacity, or it may incur additional unanticipated expenses to accommodate these capacity demands. In addition, the Company may lose valuable data, be unable to obtain or provide data on a timely basis or its network may temporarily shut down if it fails to adequately expand or maintain its network capabilities to meet future requirements. Any lapse in the Company's ability to collect or transmit data may decrease the value of its products and prevent it from providing data requested by customers. Any disruption in the Company's network processing or loss of Web user data may damage its reputation and result in the loss of customers, business, and results of operations could be adversely affected.

If the Company fails to respond to technological developments, its products may become less competitive.

The Company's future success will depend in part on its ability to modify or enhance its products to meet customer needs, to add functionality and to address technological advancements. To remain competitive, the Company will need to continue to develop new products that address these evolving technologies and standards. However, the Company may be unsuccessful in identifying new product opportunities or in developing or marketing new products in a timely or cost-effective manner. In addition, the Company's product innovations may not achieve the market penetration or price levels necessary for profitability. If the Company is unable to develop enhancements to, and new features for, the Company's existing products or if the Company is unable to develop new products that keep pace with rapid technological developments or changing industry standards, its products may become obsolete, less marketable and less competitive, and its business will be harmed.

An assertion from a third party that the Company is infringing its intellectual property, whether such assertions are valid or not, could subject the Company to costly and time-consuming litigation or expensive licenses.

The web, software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights, domestically or internationally. As the Company grows and faces increasing competition in the data acquisition and management sectors, the probability that one or more third parties will make intellectual property rights claims against it increases. In such cases, the Company's technologies may be found to infringe on the intellectual property rights of others. With respect to any intellectual property rights claim against the Company, the Company may have to pay damages or stop using technology found to be in violation of a third party's rights. The Company may have to seek a license for the technology, which may not be available on reasonable terms or at all, may significantly increase its operating expenses or may significantly restrict its business activities in one or more respects. The Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. Any of these outcomes could adversely affect the business or results of operations of the Company.

VSBLTY, Inc. is dependent on a small number of key customers for a large percentage of its revenues.

VSBLTY, Inc. derives a significant percentage of its total revenues from a small group of customers, and, in particular, has been dependent on one particular customer for a large percentage of its revenues. Any change in VSBLTY, Inc.'s relationship with this key customer or any other customers that may represent a significant portion of VSBLTY, Inc.'s revenue in the future could have a material adverse effect on its business, financial condition and results of operations. VSBLTY, Inc.'s dependence on a small number of key customers also exposes it to credit risk in respect of those customers. The failure of VSBLTY, Inc.'s customers to pay amounts owing, or their failure to pay promptly, may have a material adverse effect on VSBLTY, Inc.'s business, financial condition and results of operations and, in turn, the business, financial condition and results of operations of the Company.

The Company relies on its management team and needs additional personnel to grow its business, and the loss of one or more key employees, human error, or the inability to attract and retain qualified personnel could harm its business.

The Company's success and future growth depends, to a significant degree, on the skills and continued services of its management team. The Company's future success also depends on its ability to retain, attract and motivate highly skilled technical, managerial, statistical, analytical, marketing and customer service personnel, including members of its management team. The Company plans to hire additional personnel in all areas of its business, particularly for the sales, marketing and technology development areas, both domestically and internationally, which will likely increase its recruiting and hiring costs. The Company's inability to retain and attract the necessary personnel could adversely affect its business.

The Company will require additional capital to support business growth, and this capital may not be available on acceptable terms or at all.

The Company intends to continue to make investments to support its business growth and will require additional funds to respond to business challenges, including the expansion of its offerings into other jurisdictions, enhance operating infrastructure and acquire complementary businesses and technologies.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of holders of its Common Shares. Any debt financing secured by the Company in the future could include restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favorable to it or at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it when the Company requires it, the Company's ability to continue to support business growth and respond to business challenges could be significantly limited. In addition, the terms of any additional equity or debt issuances may adversely affect the value and price of the Company's Common Shares.

If the Company's security measures or those of its third-party data center hosting facilities, cloud computing platform providers, or third-party service partners, are breached, and unauthorized access is obtained to a customer's data, the Company's data or the Company's IT systems, the Company's services may be perceived as not being secure, customers may curtail or stop using the Company's services, and the Company may incur significant legal and financial exposure and liabilities.

VSBLTY, Inc.'s services involve the storage, analysis and transmission of customers' proprietary information, and security breaches could expose the Company to a risk of loss of this information, litigation and possible liability. While VSBLTY, Inc. has security measures in place, they may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise and result in someone obtaining unauthorized access to the Company's information technology ("**IT**") data, the Company's customers' data or the Company's data, including the Company's intellectual property and other confidential business information. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to the Company's customers' data, the Company's data or the Company's IT systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. Because the Company does not control the Company's customers or third-party technology providers, or the processing of such data by third-party technology providers, the Company cannot ensure the integrity or security of such transmissions or processing. Malicious third parties may also conduct attacks designed to temporarily deny customers access to the Company's services. Any security breach could result in a loss of confidence in the security of the Company's services, damage the Company's reputation, negatively impact the Company's future sales, disrupt the Company's business and lead to legal liability.

Defects or disruptions in the Company's services could diminish demand for the Company's services and subject the Company to substantial liability.

Because the Company's services are complex and incorporate a variety of hardware and proprietary and third-party software, the Company's services may have errors or defects that could result in unanticipated downtime for the Company's subscribers and harm to the Company's reputation and the Company's business. Cloud services frequently contain undetected errors when first introduced or when new versions or enhancements are released. VSBLTY, Inc. has from time to time found defects in, and experienced disruptions to, VSBLTY, Inc.'s services and new defects or disruptions may occur in the future. Since VSBLTY, Inc.'s customers use the VSBLTY, Inc.'s services for important aspects of their business, any errors, defects, disruptions in service or other performance problems could hurt the Company's reputation and may damage the Company's customers' businesses. As a result, customers could elect to not renew the Company's services or delay or withhold payment to the Company. The Company could also lose future sales or customers may make warranty or other claims against the Company, which could result in an increase in the Company's provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation.

Interruptions or delays in services from the Company's third-party data center hosting facilities or cloud computing platform providers could impair the delivery of the Company's services and harm the Company's business.

VSBLTY, Inc. currently serves customers from third-party data center hosting facilities and cloud computing platform providers. Any damage to, or failure of, the Company's systems generally could result in interruptions in the Company's services. VSBLTY, Inc. has from time to time experienced interruptions in VSBLTY, Inc.'s services and such interruptions may occur in the future. Interruptions in the Company's services may reduce the Company's revenue, cause the Company's to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect the Company's attrition rates and the Company's ability to attract new customers, all of which would reduce the Company's revenue. The Company's business would also be harmed if customers and potential customers believe the Company's services are unreliable. VSBLTY, Inc. does not control the operation of any of these facilities, and they may be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. Facilities may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, as well as local administrative actions, changes to legal or permitting requirements and litigation to stop, limit or delay operation. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the Company's services. Even with disaster recovery and business continuity arrangements, the Company's services could be interrupted. When the Company adds data centers and adds capacity, the Company may move or transfer the Company's data and the Company's customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of the Company's services, which may damage the Company's business.

Privacy concerns and laws, evolving regulation of cloud computing, cross-border data transfer restrictions and other domestic or foreign regulations may limit the use and adoption of the Company's services and adversely affect the Company's business.

Regulation related to the provision of services on the Internet is increasing, as federal, state and foreign governments continue to adopt new laws and regulations addressing data privacy and the collection, processing, storage and use of personal information; this is particularly the case in Illinois and Texas, where prior written consent is required of the subject whose facial data is captured. In some cases, foreign data privacy laws and regulations, such as the European Union's Data Protection Directive, and the country-specific laws and regulations that implement that directive, also govern the processing of personal information. Although foreign laws currently do not apply to VSBLTY, Inc.'s business in a material way, several of VSBLTY, Inc.'s existing customers, and VSBLTY, Inc.'s targeted customer base, are large multi-national organizations and so VSBLTY, Inc. maintains awareness of the adoption of new foreign regulations. Certain of these laws are increasingly aimed at the use of personal information for marketing purposes, such as the European Union's e-Privacy Directive, and the country-specific regulations that implement that directive. Such laws and regulations are subject to new and differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for the Company's services or restrict the Company's ability to store and process data or, in some cases, impact the Company's ability to offer the Company's services in certain locations or the

Company's customers' ability to deploy the Company's solutions globally. For example, in October 2015, the European Court of Justice invalidated the U.S.-EU Safe Harbor framework that had been in place since 2000, which allowed companies to meet certain European legal requirements for the transfer of personal data from the European Economic Area to the United States. While other adequate legal mechanisms to lawfully transfer such data remain, the invalidation of the U.S.-EU Safe Harbor framework may result in different European data protection regulators applying differing standards for the transfer of personal data, which could result in increased regulation, cost of compliance and limitations on data transfer for the Company and its customers. The costs of compliance with and other burdens imposed by laws, regulations and standards may limit the use and adoption of the Company's services, reduce overall demand for the Company's services, lead to significant fines, penalties or liabilities for noncompliance, or slow the pace at which the Company closes sales transactions, any of which could harm the Company's business.

In addition to government activity, privacy advocacy and other industry groups have established or may establish new self-regulatory standards that may place additional burdens on the Company. Customers expect the Company to meet voluntary certification or other standards established by third parties, such as TRUSTe. If the Company is unable to maintain these certifications or meet these standards, it could adversely affect the Company's ability to provide its solutions to certain customers and could harm its business. Furthermore, concerns regarding data privacy may cause the Company's customers' customers to resist providing the data necessary to allow the Company's customers to use its services effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of the Company's products or services, and could limit adoption of the Company's cloud-based solutions.

Industry-specific regulation and other requirements and standards are evolving and unfavorable industry-specific laws, regulations, interpretive positions or standards could harm the Company's business.

VSBLTY, Inc.'s customers and potential customers conduct business in a variety of industries. Regulators in certain industries have adopted and may in the future adopt regulations or interpretive positions regarding the use of cloud computing and other outsourced services. The costs of compliance with, and other burdens imposed by, industry-specific laws, regulations and interpretive positions may limit the Company's customers' use and adoption of the Company's services and reduce overall demand for its services. Compliance with these regulations may also require the Company to devote greater resources to support certain customers, which may increase costs and lengthen sales cycles. If the Company is unable to comply with these guidelines or controls, or if the Company's customers are unable to obtain regulatory approval to use the Company's services where required, the Company's business may be harmed. In some cases, industry-specific laws, regulations or interpretive positions may also apply directly to the Company as a service provider. Any failure or perceived failure by the Company to comply with such requirements could have an adverse impact on the Company's business.

VSBLTY, Inc. relies on third-party computer hardware, software and cloud computing platforms that could cause errors in, or failures of, the Company's services and may be difficult to replace.

VSBLTY, Inc. relies on computer hardware purchased or leased from, software licensed from, and cloud computing platforms provided by, third parties in order to offer the Company's services, including database software and hardware from a variety of vendors. Any errors or defects in third-party hardware, software or cloud computing platforms could result in errors in, or a failure of, the Company's services, which could harm the Company's business. These hardware, software and cloud computing platforms may not continue to be available at reasonable prices, on commercially reasonable terms or at all. Any loss of the right to use any of these hardware, software or cloud computing platforms could significantly increase the Company's expenses and otherwise result in delays in the provisioning of the Company's services until equivalent technology is either developed by the Company, or, if available, is identified, obtained through purchase or license and integrated into the Company's services.

Weakened global economic conditions may adversely affect the Company's industry, business and results of operations.

The Company's overall performance depends in part on worldwide economic conditions. The United States and other key international economies have experienced cyclical downturns from time to time in which economic activity was impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These conditions affect the rate of IT spending and could adversely affect the Company's customers' ability or willingness to purchase the Company's cloud computing services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscription contracts, or affect attrition rates, all of which could adversely affect the Company's operating results.

Risks Related to the Emerging Markets

The Company's overall performance depends in part on worldwide economic conditions. The United States and other key international economies have experienced cyclical downturns from time to time in which economic activity was impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These conditions affect the rate of IT spending and could adversely affect the Company's customers' ability or willingness to purchase the Company's cloud computing services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscription contracts, or affect attrition rates, all of which could adversely affect the Company's operating results.

VSBLTY, Inc. has subcontracted development, in part, to Logic Studio. Logic Studio actively operates in Ecuador, which is considered an emerging market. Emerging market investments generally pose a greater degree of risk than investment in more mature market economies because developing economies are more susceptible to destabilization resulting from domestic and international developments. Logic Studio's operations in Ecuador expose the Company to heightened risks relating to prevailing political and socioeconomic conditions which have historically included, but are not limited to: high rates of inflation; military repression; social and labour unrest; violent crime; civil disturbance; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; underdeveloped industrial and economic infrastructure; unenforceability of contractual rights; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Corporation to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Investors in emerging markets should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in the Company and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

Risks Related to Competition

The market in which VSBLTY, Inc. participates is intensely competitive, and if the Company does not compete effectively, the Company's operating results could be harmed.

There are multiple advertising and marketing solutions available to consumer-packaged conglomerates and retail-based customers in every channel encompassing all conceivable media delivery methodologies (the "**Historical Media Business**"). Management of VSBLTY, Inc. is aware, however, of no competitor offering a SaaS Digital-Glass Messaging Solution that includes (i) point of decision real-time switchable on-screen digital interactive media, and (ii) the Company's ability to capture any of the multiple key performance indicators and process them, while providing instant analysis and delivery to the client so that it could be utilized to affect the purchase decision before it's made. Management therefore believes that its primary competition is the Historical Media Business (and, more specifically, the in-store trade options of the Historical Media Business as they manifest themselves today), which is vast, entrenched and enjoys substantial competitive advantages, such as greater name recognition, longer operating histories and larger budgets, as well as substantially greater financial, technical and other resources. In addition, many of the Company's competitors have established contractual relationships and access to the largest customer bases, and have major distribution agreements with consultants, system integrators and resellers; as a result, the Company's competitors are likely to be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, standards or customer requirements. Furthermore, because of these advantages, even if the Company's services are more effective than the products and services that the Historical Media Business offers, potential customers might select competitive products and services in lieu of purchasing the Company's services. For all these reasons, the Company may not be able to compete successfully against the Company's current and future competitors.

If the Company is unable to compete successfully against its current and future competitors, it may not be able to retain and acquire customers, and may consequently experience a decline in revenues, reduced operating margins, loss of market share and diminished value from its products.

Risks Related to the Securities Market and Ownership of the Company's Common Shares

The Company cannot assure that a market will continue to develop or exist for its Common Shares or what the market price of its Common Shares will be.

The Company cannot assure that a public trading market for the Company's Common Shares will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult to sell the Common Shares at an attractive price or at all. The Company cannot predict the prices at which its Common Shares will trade.

The Company's management will have broad discretion over the use of available funds and may not apply the available funds in ways that increase the value of investors' investment.

The Company's management will have broad discretion to use the net proceeds received from an offering, and the investor will be relying on management's judgment regarding the application of these proceeds. The Company expects to use the net proceeds from an offering for general corporate purposes, which may include working capital, capital expenditures, other corporate expenses and potential acquisitions of complementary products, technologies or businesses. Management may not apply the net proceeds of an offering in ways that increase the value of an investors' investment.

The Company will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting a public company, which could adversely affect its operating results.

The Company has incurred and will continue, as a public company, to incur significant legal, accounting and other expenses that it did not incur as a private company. In addition, regulatory rules require certain corporate governance practices for public companies. Management and other personnel will be required to devote a substantial amount of time to public reporting requirements and corporate governance. These rules and regulations have significantly increased the Company's legal and financial compliance costs and made some activities more time-consuming and costly. The Company has also incurred additional costs associated with public company reporting requirements. If these costs do not continue to be offset by increased revenues and improved financial performance and a lower cost of capital as a result of being a publicly listed company, the Company's operating results would be adversely affected. These rules and regulations also make it more difficult and more expensive for the Company to obtain director and officer liability insurance. The Company does not currently have directors and officers insurance however it is planning to obtain this insurance, and the Company may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage if these costs continue to rise. As a result, it may be more difficult for the Company to attract and retain qualified people to serve on its Board of Directors or as executive officers.

The Company does not anticipate paying dividends to shareholders in the foreseeable future, which makes investment in the Company's stock speculative and risky.

The Company has not paid dividends on its Common Shares and does not anticipate paying dividends on its Common Shares in the foreseeable future. The Company's Board has sole authority to declare dividends payable to its shareholders. The fact that the Company has not, and does not plan to pay dividends indicates that the Company uses its funds generated by operations for reinvestment in its operating activities. Investors also must evaluate an investment in the Company solely on the basis of anticipated capital gains.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared nor paid any cash dividends on any of its issued shares since its inception. Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has not paid any dividends on the Common Shares since its incorporation. The Company has no present intention of paying dividends on the Common Shares, as it anticipates that all available funds will be invested to finance the growth of its business and, when appropriate, retire debt.

The directors of the Company will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value, issuable in series. As of the date of this AIF, there are 77,194,374 Common Share issued and outstanding.

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

As at the date of this AIF, the Company has 7,359,513 Warrants outstanding.

The Company issued 7,300,000 Warrants upon deemed exercise of the Special Warrants on the Special Warrants Exercise Date. The Warrants are represented by Warrant certificates issued by the Company. The following summary of certain provisions of the Warrants does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant certificates.

Each Warrant is exercisable by the holder to acquire one Warrant Share at a price of $0.40 per Warrant Share until February 27, 2020, subject to abridgement on an occurrence of the Trigger Event (defined below). The Company may abridge the exercise period of the Warrants if the ten-day volume-weighted average trading price of the Common Shares is greater than $0.50 (the "**Trigger Event**") provided that (a) the Company gives notice of the Trigger Event by way of a news release, and (b) the earlier expiry date is a date which is not less than 30 calendar days after the date of such press release.

The Warrants are subject to standard anti-dilution provisions, including an adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, a dividend or distribution paid to all or substantially all of the holders of Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets. The number of Warrant Shares issuable upon exercise of Warrants will also be subject to standard anti-dilution adjustments upon share consolidations, share splits, spin-off events, rights issues and reorganizations.

Options

As of the date of this AIF, the Company has 5,930,000 stock options issued and outstanding.

The Stock Option Plan was approved by the Board effective as of December 17, 2018 and by the Company's shareholders on February 15, 2019. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise prices will be determined by the Board, but will, in no event, be less than the closing market price of Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The dilutive securities are summarized as follows:

Security Type	**Common Shares Issuable (#)**	**Exercise price (average) ($)**	**Cash proceeds or debt reduction if exercised ($)**
Warrants [(1)]	6,607,087	$0.40	$2,642,834
Finder's Warrants [(2)]	752,426	$0.40	$300,970
Stock Options [(3)]	5,930,000	$0.30	$1,779,000
Performance Shares [(4)]	3,000,000	$0.50	$1,500,000
	16,289,513		6,222,804

Notes:

(1) Issued pursuant to the Private Placement upon deemed exercise of the Special Warrants. Each Warrant is exercisable by the holder to acquire one Warrant Share at a price of $0.40 per Warrant Share until February 27, 2020.

(2) Issued pursuant to the Private Placement upon deemed exercise of the Special Warrants. Each Warrant is exercisable by the holder to acquire one Warrant Share at a price of $0.40 per Warrant Share until October 17, 2019.

(3) The stock options are exercisable for period of five years from the date of grant at an exercise price of $0.30 per Common Share.

(4) Issuable to certain officers and senior management of the Company, subject to the achievement of the following performance milestones: (i) 1,000,000 Common Shares upon the Company achieving $2,000,000 in revenue in the 2019 fiscal year based on audited financial statements; (ii) 1,000,000 Common Shares upon the Company achieving $4,000,000 in revenue in the 2020 fiscal year based on audited financial statements; and (iii) 1,000,000 Common Shares upon the Company's release of the OPENVINO software to the general public.

MARKET FOR SECURITIES

Trading Price and Volume

On February 27, 2019, the Company began trading on the CSE under the trading symbol "VSBY". The table below summarizes the range and volume of trading prices for each of the months stated:

Month	**Price Range ($)**		**Total Volume (#)**
	High	**Low**	
CSE			

February 27-28, 2019	$0.70	$0.49	1,368,603
March 2019	$0.75	$0.485	3,636,134
April 1-29, 2019	$0.75	$0.46	6,984,0

PRIOR SALES

During the year ended December 31, 2018 and up until the date of this AIF, the Company issued the following securities which are convertible into Common Shares but are not listed or quoted on a marketplace:

Date of Issuance	Security	Number of Securities	Issue Price Per Security
October 17, 2018	Special Warrants(1)	14,600,000	$0.30
October 17, 2018	Finder's Warrants(2)	760,426	$0.30
February 15, 2019	Stock Options(3)	5,736,000	$0.30

Notes:

(1) Issued pursuant to the Private Placement. The Company issued 14,600,000 Common Shares and 7,300,000 Warrants upon deemed exercise of the Special Warrants. Of these Warrants, 6,607,087 remain outstanding as of the date hereof.

(2) Issued to finder's pursuant to the Private Placement. Each Warrant is exercisable to purchase one Common Share at a price of $0.40 per Common Share until October 17, 2019. Of these Warrants, 752,426 remain outstanding as of the date hereof.

(3) The stock options are exercisable for period of five years from the date of grant at an exercise price of $0.30 per Common Share. Of these stock options, 5,930,000 remain outstanding as of the date hereof.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Securities

None of the Company's securities were escrowed as of December 31, 2018. The following table includes the balance of escrowed securities as at April 30, 2019:

Designation of Class	Number of Securities held in Escrow	Percentage of Class (1)
Common Shares	25,927,809 (2)	33.60%
Warrants	Nil	Nil
Options	Nil	Nil

Notes:

(1) Based on 77,194,374 common shares issued and outstanding as at April 30, 2019.

(2) Pursuant to the Escrow Agreement in connection with the listing of the Common Shares on the CSE, certain security holders were required to submit an aggregate of 28,808,677 Common Shares to escrow. 10% of such securities were released on February 27, 2019, and 15% are to be released every six months thereafter over a period of thirty-six months. Any Performance Shares issued to officers and directors of the Company will be subject to a timed escrow release consistent with the escrow provisions of National Policy 46-201 and will be released on

the same schedule as the escrowed securities described above.

Securities Subject to Contractual Restriction on Transfer

Pursuant to the terms of the Merger Agreement, 41,853,958 of the Common Shares issuable to the VSBLTY Shareholders in connection with the Acquisition, excluding the Common Shares subject to the Escrow Agreement and excluding Common Shares issuable to former holders of the Debentures, are subject to a voluntary one year hold period from the date of issuance of such Common Shares, during which period such Common Shares may not be transferred without the consent of the Company.

The 20,000,000 Common Shares issued pursuant to the Acquisition to former holders of Debentures are subject to a voluntary nine month hold period in respect of 50% of such Common Shares and a voluntary six month hold period in respect of 50% of such Common Shares, during which periods such Common Shares may not be transferred without the consent of the Company.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the name, age, city of residence, position and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the current directors and officers of the Company. The directors of the Company consist of Jay Hutton, Laurette Pitts, Alnesh Mohan and Guy Lombardo and the officers of the Company consist of Jay Hutton (Chief Executive Officer and President), Laurette Pitts (Chief Financial Officer, Chief Compliance Officer and Corporate Secretary), Tim Huckaby (Chief Technology Officer), Fred Potok (Chief Sales Officer), Linda Rosanio (Chief Operating Officer) and Jan Talamo (Chief Creative Officer).

The term of the directors expires at the Company's next Annual General Meeting.

Name, Age and City of Residence	Position	Date of Appointment	Principal Occupations Held During the Last 5 Years
Jay Hutton (1) Age 53 Langley, BC	Chief Executive Officer, President and Director	Officer: February 15, 2019 Director: December 4, 2018	President and CEO of VSBLTY, Inc. since July 2015; President and CEO of Actus LP since July 2011.
Laurette Pitts Age 50 Hammonton, New Jersey	Chief Financial Officer, Chief Compliance Officer, Corporate Secretary and Director	February 15, 2019	CFO of VSBLTY, Inc. since November 2018. Senior Vice President of Finance at Hard Rock Casino from December 2017 to November 2018. COO and CFO of Empire Resorts from December 2010 to December 2017.

Name, Age and City of Residence	Position	Date of Appointment	Principal Occupations Held During the Last 5 Years
Guy Lombardo[(1)] Age 78 Saunderstown, Rhode Island	Director	December 14, 2018	Self-employed since 2010.
Alnesh Mohan[(1)] Age 47 Burnaby, BC	Director	August 7, 2018	Partner at Quantum Advisory Partners LLP since September 2005.
Tim Huckaby Age 56 Carlsbad, California	Chief Technology Officer	February 15, 2019	Founder and Chairman of InterKnowlogy from September 1999 to Present.
Fred Potok Age 63 Huntingdon Valley, Pennsylvania	Chief Sales Officer	February 15, 2019	Co-founder and Chief Sales Officer of VSBLTY, Inc. since July 2013.
Linda Rosanio Age 63 Voorhees, New Jersey	Chief Operating Officer	February 15, 2019	COO of VSBLTY, Inc. since July 2015. Co-Founder and CEO of The Star Group Communications from August 1985 to June 2015.
Jan Talamo Age 61 Voorhees, New Jersey	Chief Creative Officer	February 15, 2019	CCO of M Partners from July 2015 to Present. CCO of Traffic MRTG from July 2015 to Present. CCO of VSBLTY, Inc. from July 2015 to Present. Co-Founder and CCO of The Star Group Communications from August 1985 to June 2015.

Notes:

(1) Member of audit committee.

As of the date of this AIF, directors and officers of the Company, as a group, own or control or exercise direction over 16,469,860 Common Shares, 2,800,000 stock options and rights to receive up to 2,500,000 Performance Shares, being 21.3% of the issued Common Shares on a non-diluted basis and 28.2% of the issued Common Shares on a fully diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except for Jan Talamo and Linda Rosanio, who were directors of Star Group Communications, Inc. when it was declared bankrupt in June 2015, no director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director or executive officer of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

Tim Huckaby is the majority shareholder of InterKnowlogy. InterKnowlogy is a custom application software developer that has been in business for more than 17 years. With specialized expertise in machine learning, complex architecture and artificial intelligence. VSBLTY, Inc. has purchased development expertise from InterKnowlogy on a project basis. The decision to utilize InterKnowlgy is made exclusively by the development team and by Jay Hutton with no input from Tim Huckaby.

PROMOTERS

A "Promoter" is defined in the *Securities Act* (British Columbia) as a "person who (a) alone or in concert with other persons directly or indirectly takes the initiative of founding, organizing or substantially reorganizing the business of the issuer; or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company's own securities or 10% or more of the proceeds from the sale of a class of the Company's own securities of a particular issue.

Within the the Company's most recently completed financial years ended December 31, 2018 and to the date of this AIF, the Company has the following persons who would be considered promoters of the Company pursuant to such securities law definition: Jay Hutton and Tim Huckaby.

Jay Hutton is Chief Executive Office, President and a Director of the Company, and currently holds, directly or indirectly: (a) 544,496 Common Shares; (b) 475,000 stock options, each exercisable to acquire one Common Share at an exercise price of $0.30 per Common Share at any time prior to February 15, 2023; and (c) rights to receive up to 500,000 Performance Share. In addition, Mr. Hutton receives compensation from the Company for his services as Chief Executive Officer of the Company.

Tim Huckaby is Chief Technology Officer of the Company, and currently holds, directly or indirectly: (a) 375,000 stock options, each exercisable to acquire one Common Share at an exercise price of $0.30 per Common Share at any time prior to February 15, 2023; and (b) rights to receive up to 500,000 Performance Shares. In addition, Mr. Huckaby receives compensation from the Company for his services as Chief Technology Officer of the Company.

LEGAL PROCEEDINGS

During the financial year ended December 31, 2018, other than as described below, there are no legal proceedings to which the Company is a party to or to which any of its property is subject outside of the ordinary course of the Company's business, and no such proceedings are known to the Company to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF and in the consolidated financial statements of the Company for the year ended December 31, 2018, to the best of the Company's knowledge, none of the directors or executive officers of the Company, or any shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the Company's outstanding Common Shares, or any known associates or affiliates of such persons, had any material interests, direct or indirect, in any transaction within the three most recently completed financial years or during the current year that has materially affected or is reasonably expected to materially affect the Company.

Jay Hutton, the CEO of VSBLTY, Inc., advanced funds to support operations pursuant to promissory notes dated January 23, 2017 and May 7, 2018. In connection with the Acquisition, Mr. Hutton received 48,414 VSBLTY Common Shares and a cash payment for all interest accrued on the loans after October 31, 2018 (US$81,969.93) in settlement of all amounts owing to Mr. Hutton by VSBLTY, Inc. pursuant to such loans.

Guy Lombardo, a board member of VSBLTY, Inc., advanced funds to support operations pursuant to promissory notes dated February 28, 2017. In connection with the Acquisition, Mr. Lombardo received 186,475 VSBLTY Common Shares and a cash payment for all interest accrued on the loans after October 31, 2018 (US$309,329.88) in settlement of all amounts owing to Mr. Lombardo by VSBLTY, Inc. pursuant to such loan.

TRANSFER AGENT AND REGISTRARS

The Company has appointed Odyssey Trust Company as the transfer agent and registrar for the Company's common shares at its office located at 409 Granville Street, Suite 323, Vancouver, BC V6C 1T2.

MATERIAL CONTRACTS

There are no contracts of the Company or VSBLTY, Inc., other than contracts entered into in the ordinary course of business, that are material to the Company or VSBLTY, Inc., other than:

(a) the Merger Agreement between the Company, U.S. Subco and VSBLTY, Inc., dated December 12, 2018, as described under "Acquisition and Related Transactions"; and

(b) the Escrow Agreement between the Company, the Escrow Agent and certain shareholders of the Company dated February 15, 2019.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

Dale Matheson Carr-Hilton LaBonte LLP prepared an auditor's report on the financial statements of the

Company for the period from incorporation on August 1, 2018 to September 30, 2018 and an auditor's report on the financial statements of VSBLTY, Inc. for the years ended December 31, 2018 and December 31, 2017.

Interests of Experts

As of the date of this AIF, Dale Matheson Carr-Hilton LaBonte LLP has reported that it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDIT COMMITTEE

The Company's audit committee has various responsibilities as set forth in National Instrument 52-110 *Audit Committees* ("**NI 52-110**") made under securities legislation, concerning constitution of its audit committee and its relationship with its independent auditor and among such responsibilities being a requirement that the audit committee establish a written charter that sets out its responsibilities.

Composition of the Audit Committee

At the present time, the Company's Audit Committee is composed of the following members:

Member	**Independent/Not Independent (1)**	**Financially Literate/ Not Financially Literate (2)**
Alnesh Mohan (Chair)	Not Independent	Financially Literate
Guy Lombardo	Independent	Financially Literate
Jay Hutton	Not Independent	Financially Literate

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

In accordance with section 6.1.1(3) NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company.

All members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. For a summary of the experience and education of the Audit Committee members see "Directors and Officers – Biographies" in the Company's prospectus dated February 15, 2019. The prospectus, which the Company has filed with the securities regulatory authorities in the jurisdictions in Canada in which the Company is a reporting issuer, is specifically incorporated by reference into, and forms an integral part of, this AIF.

Audit Committee Charter

A copy of the charter of the audit committee is available as Schedule "A" to this AIF.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Dale Matheson Carr-Hilton LaBonte LLP.

Reliance on Certain Exemptions

At no time has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services,) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Company has in the most recently completed financial year relied on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

External Auditor Service Fees (By Category)

The Company

The Audit Committee has reviewed the nature and amount of the audit services provided by Dale Matheson Carr-Hilton LaBonte LLP to the Company to ensure auditor independence.

The following table discloses the fees billed to the Company by its external auditor for the period from incorporation to December 31, 2018:

Period Ended	Audit Fees	Audited-Related Fees[(1)]	Tax Fees[(2)]	All Other Fees[(3)]
December 31, 2018	$65,000	Nil	Nil	Nil

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.

(2) The aggregate fees billed for tax compliance, tax advice and tax planning services.

(3) The aggregate fees billed for professional services other than those listed in the other three columns.

VSBLTY, Inc.

The following table discloses the fees billed to the Company by its external auditor for the years ended December 31, 2018 and 2017:

Period Ended	Audit Fees	Audited-Related Fees[(1)]	Tax Fees[(2)]	All Other Fees[(3)]
December 31, 2017	Nil	Nil	Nil	Nil
December 31, 2018	$11,664.89	Nil	Nil	Nil

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the VSBLTY, Inc.'s financial statements and are not disclosed in the "Audit Fees" column.

(2) The aggregate fees billed for tax compliance, tax advice and tax planning services.

(3) The aggregate fees billed for professional services other than those listed in the other three columns.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's stock option plans is contained in the Company's prospectus dated February 15, 2019, which is incorporated herein by reference. Additional financial information is provided in the Company's Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2018 and in the Management's Discussion and Analysis for the fiscal quarters ending after that date.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of VSBLTY Groupe Technologies Corp. (the "**Company**"), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1 At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

2.2 The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4 The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board the external auditor to be nominated by the Board;

(b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

(f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

(i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

(j) reviewing and discussing with management and the external auditor the external auditor’s written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

(l) reviewing the external auditor’s report to the shareholders on the Company’s annual financial statements;

(m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor’s report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

(n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company’s disclosure of financial information extracted or derived from the Company’s financial statements that such information is fairly presented;

(o) overseeing the adequacy of the Company’s system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management’s remediation of identified weaknesses;

(p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

(q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

(r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company’s legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(s) resolving disputes between management and the external auditor regarding financial reporting;

(t) establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

(x) establishing procedures for:

(i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

(ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

(iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

(iv) reviewing fraud prevention policies and programs, and monitoring their implementation;

(v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(A) Tax and financial reporting laws and regulations;

(B) Legal withholding requirements;

(C) Environmental protection laws and regulations; and

(D) Other laws and regulations which expose directors to liability.

4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3 The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.4 The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.5 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.6 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.