

51-102F3 MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

VSBLTY GROUPE TECHNOLOGIES CORP.

#300 – 417 North 8th Street
Philadelphia, Pennsylvania
19123

Item 2 Date of Material Change

July 19, 2019

Item 3 News Release

A news release was issued in Vancouver, British Columbia on July 19, 2019

Item 4 Summary of Material Change

VSBLTY Announces Closing of Convertible Debenture Offering

Item 5 Full Description of Material Change

The Company announced that it closed a non-brokered private placement offering of convertible debenture (“**Debentures**”) for gross proceeds of CAD \$745,500 (the “**Offering**”).

The Debentures bear interest at 10% per annum on an accrual basis, calculated and payable semi-annually, maturing on July 18, 2021 (the “**Maturity Date**”) that is 24 months from the date of issuance on July 18, 2019 (the “**Closing Date**”).

The Debentures, together with any interest accrued but unpaid, may be convertible, in whole or in part, at any time before the Maturity Date, into units of the Company (each, a “**Unit**”) at \$0.45 per Unit, if converted at any time before one year from the Closing Date, or otherwise convertible at \$0.60 per Unit if converted after one year from the Closing Date but before the Maturity Date.

Each Unit consists of one common share in the capital of the Company (a “**Share**”) and one-half of a Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will be exercisable into one Share (each a, “**Warrant Share**”) at a price of \$0.60 per Warrant Share for a period of 24 months from the Closing Date, subject to acceleration. The Company may exercise its warrant acceleration right, if on any ten consecutive trading days, beginning on the date that is four months and one day following the Closing Date, the closing price of the Company’s Shares on the CSE is greater than \$1.00 per Share. If the Company exercises its warrant acceleration right, the new expiry date of the Warrants will be the 30th day following the notice of such exercise.

The net proceeds from the Offering will be used for acquisitions and general and corporate working capital purposes.

The Debentures are subject to a statutory four month and one day hold period, which expires on November 19, 2019.

Pursuant to subscription agreements with the Company, which contained customary covenants, representations and warranties for a transaction of this type, insiders of the Company were issued Debentures with an aggregate principal amount of \$352,500 and, accordingly, the Offering constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Guy Lombardo, a director of the Company, was issued Debentures in the principal amount of \$327,500, which did not change the percentage of common shares of the Company he beneficially owns or controls. Jay Hutton, CEO and a director of the Company, purchased Debentures in the principal amount of \$25,000, which did not change the percentage of common shares of the Company he beneficially owns or control.

The Offering was considered and approved by the board of directors of the Company. There was no materially contrary view by any director approving the Offering. The directors who participated in the Offering disclosed their interest in the transaction and abstained from voting on the authorizing resolutions in respect thereof.

The issuance of the Dentures to insiders under the Offering is exempt from the formal valuation and the minority shareholder approval requirements of MI 61-101 by virtue of the exemptions in sections 5.5(a) and 5.7(a) of MI 61-101, as the fair market value of the Debentures issued to or the consideration paid by such person did not exceed 25% of the Company's market capitalization.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering and complete the Offering in an expeditious manner.

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

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

The following officer of the Company is knowledgeable about the material change disclosed in this report: Jay Hutton, CEO and Director, Tel: 1-877-261-4466

Item 9 Date of Report

July 19, 2019



For Immediate Release

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES FOR DISSEMINATION IN THE UNITED STATES

VSBLTY ANNOUNCES CLOSING OF CONVERTIBLE DEBENTURE OFFERING

PHILADELPHIA, PA., July 19, 2019 – VSBLTY Groupe Technologies Corp. (CSE: VSBY) (Frankfurt: 5VS) (OTCBB:VSBGF) (“**VSBLTY**” or the “**Company**”) is pleased to announce that it has closed a non-brokered private placement offering of convertible debenture (“**Debentures**”) for gross proceeds of CAD \$745,500 (the “**Offering**”).

The Debentures bear interest at 10% per annum on an accrual basis, calculated and payable semi-annually, maturing on July 18, 2021 (the “**Maturity Date**”) that is 24 months from the date of issuance on July 18, 2019 (the “**Closing Date**”).

The Debentures, together with any interest accrued but unpaid, may be convertible, in whole or in part, at any time before the Maturity Date, into units of the Company (each, a “**Unit**”) at \$0.45 per Unit, if converted at any time before one year from the Closing Date, or otherwise convertible at \$0.60 per Unit if converted after one year from the Closing Date but before the Maturity Date.

Each Unit consists of one common share in the capital of the Company (a “**Share**”) and one-half of a Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will be exercisable into one Share (each a, “**Warrant Share**”) at a price of \$0.60 per Warrant Share for a period of 24 months from the Closing Date, subject to acceleration. The Company may exercise its warrant acceleration right, if on any ten consecutive trading days, beginning on the date that is four months and one day following the Closing Date, the closing price of the Company’s Shares on the CSE is greater than \$1.00 per Share. If the Company exercises its warrant acceleration right, the new expiry date of the Warrants will be the 30th day following the notice of such exercise.

The net proceeds from the Offering will be used for acquisitions and general and corporate working capital purposes.

The Debentures are subject to a statutory four month and one day hold period, which expires on November 19, 2019.

Guy Lombardo, a director of the Company, and Jay Hutton, the CEO and a director of the Company, purchased Debentures in the principal amounts of \$327,500 and \$25,000, respectively, under the Offering. These purchases each constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). These issuances to insiders are exempt from the formal valuation and the minority shareholder approval requirements of MI 61-101 as the fair market value of the Debentures issued to or the consideration paid by such person did not exceed 25% of the Company’s market capitalization.

In accordance with the terms of a merger agreement dated December 12, 2018 between the Company, VSBLTY Merger Co. and VSBLTY Inc., common shares in the capital of VSBLTY issued to former VSBLTY, Inc. shareholders and former holders of VSBLTY, Inc. debentures are subject to voluntary hold periods. The Company has received commitments from approximately 82% of such shareholders to extend the voluntary hold periods for a period of three months.

The Company is not proceeding with the unit offering it previously announced on May 8, 2019.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer and its management, as well as financial statements.

On Behalf of the Board of VSBLTY Groupe Technologies Inc.

"Jay Hutton"

CEO & Director

Investor Relations

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About VSBLTY (www.vsblty.net)

Headquartered in Philadelphia, VSBLTY (TBD: VSBGF) (CSE: VSBY) (OTCBB:VSBGF), is the world leader in Proactive Digital Display™, which transforms retail and public spaces as well as place-based media networks with SaaS-based audience measurement and security software that uses artificial intelligence and machine learning.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

FORWARD LOOKING STATEMENT

This news release contains forward-looking statements, including statements regarding the attributes of the securities to be offered and sold by the Company, the proposed use of the net proceeds of the Offering, the closing date of the Offering and the future price of the Shares on the Canadian Securities Exchange, and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, and which are described in the Company's public filings available under its profile at www.sedar.com. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as required by Canadian securities laws.