

51-102F3

MATERIAL CHANGE REPORT

**Item 1: Name and Address of Company**

VSBLTY GROUPE TECHNOLOGIES CORP. (the "Company" or "VSBLTY")  
#300 – 417 North 8th Street  
Philadelphia, Pennsylvania  
19123

**Item 2: Date of Material Change**

July 28, 2022

**Item 3: News Release**

The Company disseminated a news release dated July 28, 2022 and subsequently filed a copy on [www.sedar.com](http://www.sedar.com).

**Item 4: Summary of Material Change**

The Company announced that it has closed the marketed short form prospectus financing and non-brokered private placement for gross proceeds of approximately \$6.6M, including full exercise of over-allotment.

**Item 5.1: Full Description of Material Change**

The Company announced that it has closed the previously announced best efforts marketed public offering (the "**Public Offering**") of units (the "**Units**") of the Company, including the full exercise of the over-allotment option for gross proceeds of approximately \$5,750,012. Pursuant to the terms of the Public Offering, the Company issued 19,166,705 Units at a price of \$0.30, including 2,500,005 Units issued pursuant to the exercise of the over-allotment option. The Units were offered and sold by way of a short form prospectus filed in the provinces of British Columbia, Alberta, Saskatchewan and Ontario (the "**Prospectus**").

Each Unit is comprised of one common share (a "**Common Share**") and one common share purchase warrant (a "**Warrant**") of the Company. Each Warrant will entitle the holder thereof to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$0.50 for a period of 36 months following the Closing Date. The Warrants are expected to commence trading on the Canadian Securities Exchange under the symbol "VSBY.WT.B" on July 28, 2022.

The Public Offering was conducted on a commercially reasonable "best efforts" basis by Echelon Wealth Partners Inc. (the "**Agent**"). As compensation, the Company paid to the Agent (i) a cash fee of approximately \$460,000, (ii) an aggregate of 1,533,336 broker warrants (the "**Broker Warrants**"), and (iii) 383,334 Common Shares as a corporate finance fee (the "**Corporate Finance Fee**"). Each Broker Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$0.30 per Unit until July 28, 2025.

Concurrently with the Public Offering, the Company also closed a first tranche of its previously announced non-brokered private placement of Units on the same terms as the Units issued and sold under the Public Offering (the “**Private Placement**” and collectively with the Public Offering, the “**Offering**”). Pursuant to the first tranche of the Private Placement, the Company issued 2,983,230 Units at a price of \$0.30 per Unit, for total gross proceeds of approximately \$894,969. The Company has received a subscription for \$2,580,000 from a strategic investor, which is expected to close as part of the second tranche of the Private Placement in August 2022 pending receipt of funding.

The Company intends to use the proceeds of the Offering for sales, marketing, research and development, capital expenditures, working capital and general corporate purposes, as more particularly set out in the Prospectus.

The Prospectus, which contains important information relating to the Offering, has been filed with the securities commissions or similar authorities in the Offering Jurisdictions, and is available under the Company’s profile at [www.sedar.com](http://www.sedar.com).

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 275,064 Units in the Private Placement for aggregate gross proceeds of \$82,519.50 and, accordingly, the Private Placement constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). Amin Shahidi, a director of the Company, directly purchased 65,065 units for gross proceeds of \$19,519.50, and following the Offering and the Private Placement the percentage of common shares of the Company he beneficially owns or controls changed from approximately 0.01% to approximately 0.04%. David Roth, a director of the Company, directly purchased 16,666 Units for gross proceeds of \$5,000, and following the Offering and the Private Placement the percentage of common shares of the Company he beneficially owns or controls changed from approximately 0% to approximately 0.01%. Linda Rosanio, an officer of the Company, directly purchased 83,333 Units for gross proceeds of \$25,000, and following the Offering and the Private Placement the percentage of common shares of the Company she beneficially owns or controls changed from approximately 0.08% to approximately 0.12%. Fred Potok, an officer of the Company, directly purchased 65,000 Units for gross proceeds of \$19,500, and following the Offering and the Private Placement the percentage of common shares of the Company he beneficially owns or controls changed from approximately 2.31% to approximately 2.34%. Gary Gibson, an officer of the Company, directly purchased 45,000 Units for gross proceeds of \$13,500, and following the Offering and the Private Placement the percentage of common shares of the Company he beneficially owns or controls changed from approximately 0% to approximately 0.02%.

The Private Placement was considered and approved by the board of directors of the Company. There was no materially contrary view by any director approving the Private Placement. The issuance of the Units to insiders under the Private Placement 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 Units 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 Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Private Placement and complete the Private Placement in an expeditious manner.

**About VSBLTY (<http://vsblty.net/>)**

Headquartered in Philadelphia, VSBLTY (OTCQB: VSBGF) (CSE: VSBY) (Frankfurt: 5VS) (OTC: VSBGF) (“VSBLTY”) 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. Its proprietary technology effectively integrates with other digital retail solutions, including QR codes and mobile applications. The firm is also recognized for its leadership role in the growing Store as a Medium movement that enables brands to reach customers when and where buying decisions are being made while producing a new revenue stream for retailers.

**FORWARD LOOKING STATEMENT**

This news release contains forward-looking statements, including statements regarding the Offering, including the terms of the Offering, the anticipated timing of closing and use of proceeds, 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](http://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.

**Item 5.2: Disclosure for Restructuring Transactions**

Not applicable.

**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 28, 2022