



Reply to the Attention of: John Alsbergas  
Our File No.: 266506  
Date: November 1, 2023

**VIA SEDAR**

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Canadian Depository for Securities

Dear Sirs/Mesdames,

**Re: VSBLTY Groupe Technologies Corp. (the "Company")  
Consolidation of Common Shares**

Pursuant to Policy 9 – *Corporate Actions* of the Canadian Securities Exchange ("**CSE**"), please be advised that the Company will consolidate its common shares on the basis of (1) one post-consolidated common share for every (10) ten pre-consolidated common shares held (the "**Consolidation**").

The effective date for the Consolidation is November 3, 2023. Please find attached a copy of the news release dated October 31, 2023, announcing the effective date of the Consolidation.

We trust you will find the attached and foregoing in order. However, if you have any questions, please feel free to contact the undersigned.

Yours truly,

"John Alsbergas"

John Alsbergas



## **VSBLTY COMPLETES THE ACQUISITION OF SHELF NINE AND ANNOUNCES PROPOSED CONSOLIDATION**

*Shelf Nine's Retail Media Network has Over 4,500 Screens Producing Digital In-Store Advertising Throughout the United States*

PHILADELPHIA, PA., October 31, 2023 (PR Newswire) — VSBLTY Groupe Technologies Corp. (the “Company” or “VSBLTY”) (OTCQB: VSBGF) (CSE: VSBY) (Frankfurt 5VS), a leading AI software provider of security and retail analytics technology, is pleased to announce the closing of its previously announced acquisition (the “Transaction”) of Shelf Nine LLC (“Shelf Nine”). Shelf Nine is a leader in retail media networks, providing brands and retailers specifically targeted digital media advertising and other customer communications content delivered at the point of purchase. The Company further announces that it will consolidate its common shares in the capital of the Company (the “Shares”) on the basis of ten (10) existing Shares for each one (1) new share (the “Consolidation”), effective as of November 3, 2023.

“We are extremely excited to complete our acquisition of Shelf Nine,” explained VSBLTY Co-founder & CEO Jay Hutton. “Shelf Nine’s 4,500 screen network, when augmented with our new technology, will allow us to provide anonymous computer vision driven analytics that provide a more precise set of customer demographic data and more accurate media impression counts. This will become more and more valuable to the “Store as a Medium” model as it continues to grow and become part of main-stream, brand media buys.

Our recent success and partnerships in the US, Mexico, and the Middle East has put our firm on several institutional investors radars who are very interested in the space. Based on recent investment conversations for both equity and non-dilutive financing options it became apparent

that our current corporate structure did not meet certain investment criteria for some of these institutions. With the future in mind, the board of directors realized a consolidation of our current common stock could provide the company with additional options to further fund its growth.” Hutton continued, “We have created a wealth of opportunity over the past 3 quarters and are uniquely positioned to monetize these opportunities, fulfill our business plan, and create additional shareholder value through 2024. We envision a bright future ahead for our company and our stakeholders.”

### **Acquisition of Shelf Nine**

Pursuant to the terms of a definitive purchase agreement dated October 20, 2023 (the “Purchase Agreement”), VSBLTY, through its wholly-owned subsidiary, VSBLTY, Inc. (“Subco”), acquired 100% of the issued and outstanding membership interest of Shelf Nine for an aggregate of 12,500,000 Shares to the owners of Shelf Nine on a pre-consolidated basis, with an aggregate deemed value of US\$500,000, with 1,250,000 of such Shares being subject to resale restrictions for a period of 15 months following closing of the Transaction (“Closing”). The sellers will also be entitled to earn up to an additional US\$3,890,000 worth of Shares subject to the Company achieving certain agreed upon revenue milestones over a three (3) year period (the “Earn-Out”), commencing in July, 2023 and ending in June, 2026. The number of Shares to be issued pursuant to the Earn-Out will be determined based on the volume weighted average trading price at the time of issuance of the Shares, subject to the pricing requirements of the Canadian Securities Exchange (the “CSE”). Pursuant to the Purchase Agreement, VSBLTY also settled US\$132,900 in existing debts of Shelf Nine through the issuance of 3,322,500 pre-consolidated Shares to the creditor, Village Super Market, Inc. (“Village”). At Closing, VSBLTY, through Subco, has also agreed to assume approximately US\$336,096.67 in existing promissory notes of Shelf Nine (the “Loan”). As a result, Subco and Shelf Nine, as co-makers, issued a secured promissory note to the creditor, Village.

In connection with the Transaction, key employees of Shelf Nine have agreed to continue their employment and may receive additional performance incentives of US\$250,000, pursuant to their employment agreements. The acquisition of Shelf Nine is strategic to VSBLTY’s North

American expansion, and, based on the Company's subsequent performance, may result in the issuance of additional Shares at prevailing prices as described above.

All Shares issued in connection with the Transaction will be subject to resale restrictions under applicable securities laws, including a four (4) month hold period from the date of issuance. For clarity all shares issues are stated as pre consolidation amounts.

### **Consolidation**

The Company will implement the Consolidation of its Shares on the basis of ten (10) pre-consolidation Shares for every one (1) post-consolidation Share, effective as of November 3, 2023.

The Company name and trading symbol will remain unchanged after the Consolidation. The new CUSIP number will be 91834N605 and the new ISIN number will be CA91834N6054 for the post-Consolidation Shares.

The Company's post-Consolidation Shares are expected to begin trading on the CSE on or about November 3, 2023. The total issued and outstanding number of Shares post-Consolidation will be approximately 34,870,787, subject to rounding for fractional Shares.

No fractional Shares will be issued in connection with the Consolidation. In the event a holder of Shares would otherwise be entitled to receive a fractional Share in connection with the Consolidation, the number of Shares to be received by such shareholder will be rounded down to the next whole number if that fractional Share is less than one-half (1/2) of a Share, and will be rounded up to the next whole number if that fractional Share is equal to or greater than one-half (1/2) of a Share.

The Company's issued and outstanding securities convertible into Shares will be adjusted on the same basis (10:1) to reflect the Consolidation in accordance with their respective terms with proportionate adjustments made to the exercise prices, as applicable.

In accordance with the Articles of the Company, shareholders' approval is not required for the Consolidation, but the Consolidation remains subject to the approval of the CSE.

Registered shareholders that hold physical Share certificates will receive a letter of transmittal requesting that they forward pre-Consolidation Share certificates to the Company's transfer agent, Odyssey Trust Company for exchange for new Share certificates representing Shares on a post-Consolidation basis. Shareholders who hold their Shares through a broker or other intermediary and do not have Shares registered in their own name will not be required to complete a letter of transmittal.

### **Invite to Webinar**

You are invited to join management on a Zoom webinar.

When: Nov 1, 2023 4:00 PM Eastern Time (US and Canada)

Topic: VSBLTY Shelf Nine Discussion (Jay Hutton, CEO, Luiz Barros, Executive Chairman, and Mike Manion, President/CEO of Shelf Nine)

Register in advance for this webinar:

[https://us02web.zoom.us/webinar/register/WN\\_YumCoDsFSJyOKOg0qmft\\_Q](https://us02web.zoom.us/webinar/register/WN_YumCoDsFSJyOKOg0qmft_Q)

After registering, you will receive a confirmation email containing information about joining the webinar.

**About Shelf Nine** [http:// www.shelfnine.com](http://www.shelfnine.com)

Shelf Nine is one of the nation's premier digital in-store media and content networks providing brands and retailers targeted communications right at the "moment of truth," where over 75% of purchase decisions are made, at strategic locations throughout the stores, better known as the point of purchase.

Shelf Nine's network represents part of an emerging trend that Boston Consulting Group has identified as a \$100B market.

<https://www.bcg.com/publications/2021/how-to-compete-in-retail-media>

Advertisers are increasing investments in these types of digital platforms that deliver ads to consumers while shopping. Shelf Nine delivers advertising impressions where they matter the most and also allows for the optimization of store content and better integration with all store marketing programs. With the addition of VSBLTY's anonymous computer vision analytics, brands and retailers will have real-time shopper data and ad measurement.

*On Behalf of the Board of VSBLTY Groupe Technologies Corp.*

"Jay Hutton"

CEO & Director

**Investor Relations**

*Harbor Access*

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

Headquartered in Philadelphia, VSBLTY (OTCQB: VSBGF) (CSE: VSBY) (Frankfurt: 5VS) (OTC: VSBGF) (“VSBLTY”) is a world leader in Artificial Intelligence and real time interpretation of what a camera sees. By utilizing facial recognition, age, gender, and other matrixes, VSBLTY’s proprietary technology can effectively enhance retail brand engagement through customized ads on displays, at point of purchase, tailored to the current customer’s demographic. This technology has proven to increase brand sales 25-35%. 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.

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VSBLTY, using its proprietary AI software, has also developed a range of security products that include not only facial recognition, but weapon recognition as well, utilizing a variety of security cameras as well as legacy CCTV cameras. VSBLTY has the capability to create a proactive security system rather than a reactive security system, providing the early warning of threats that can save lives.

## **FORWARD LOOKING INFORMATION STATEMENT**

This release may contain forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements include, without limitation, statements relating to Closing. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this press release are made as of the date of this press release. The forward-looking statements contained herein are also subject generally to assumptions and risks and uncertainties that are described from time to time in the Company's public securities filings with the Canadian securities commissions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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This release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws, and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This release is not for distribution to U.S. newswire services nor for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

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*The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release. The Canadian Securities Exchange has neither approved nor disapproved the contents of this press release.*