

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

VSBLTY Groupe Technologies Corp. (the “Company”)
417 North 8th Street, Suite 300
Philadelphia, Pennsylvania
19123, USA

Item 2: Date of Material Change

April 29, 2024

Item 3: News Release

The Company disseminated a news release dated April 30, 2024, and subsequently filed a copy of same on www.sedarplus.ca.

Item 4: Summary of Material Change

The Company closed the first tranche of its non-brokered private placement of convertible unsecured debentures for gross proceeds of US\$254,915 (C\$344,763), excluding the debt settlements described below.

Item 5.1: Full Description of Material Change

VSBLTY Groupe Technologies Corp. (the “Company” or “VSBLTY”) has closed the first tranche (“**First Tranche**”) of its non-brokered private placement (the “**Offering**”) of convertible unsecured debentures (the “**Debentures**”) for gross proceeds of US\$254,915 (C\$344,763), excluding the debt settlements described below.

The Debentures bear interest from April 29, 2024 (the “**Closing Date**”) at a rate of 18% per annum on an accrual basis, calculated and payable semi-annually, and will mature on April 29, 2026 (the “**Maturity Date**”).

The principal amount of the Debentures, together with any interest accrued but unpaid, may be converted, in whole or in part, at any time before the Maturity Date, into units of the Company (each, a “**Unit**”), at the election of the Debenture holder at US\$0.122 (C\$0.165) per Unit.

Each Unit consisted of one common share in the capital of the Company (a “**Share**”) and one Share purchase warrant (a “**Warrant**”). Each Warrant is exercisable into one Share (each a, “**Warrant Share**”) at a price of US\$0.122 (C\$0.165) per Warrant Share for a period of 36 months from the Closing Date.

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

As part of the First Tranche, the Company also settled an aggregate of C\$50,000 of outstanding indebtedness in consideration for the issuance of Debentures in the aggregate principal amount of C\$50,000 to certain insiders of the Company. The participation by such insiders in the First Tranche constitutes a “related party transaction” as defined under 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 minority shareholder approval requirements of MI 61-101 based on the fact that neither the fair market value of the shares subscribed for by the insiders, nor the consideration for the Debentures paid by such insiders, exceeded 25% of the Company's market capitalization.

The securities issued pursuant the First Tranche are subject to a statutory four month and one day hold period, which expires on August 30, 2024

Related Party Disclosure

The following supplementary information is provided in accordance with Section 5.2.

(a) a description of the transaction and its material terms:

See item 5.1 above.

(b) the purpose and business reasons for the transaction:

See item 5.1 above.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See item 5.1 above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Prior to the completion of the Offering, Jay Hutton, Chief Executive Officer of the Company, beneficially owned or controlled 174,150 common shares of the Company (representing approximately 0.36% of the outstanding common shares of the Company). Pursuant to the Offering, Jay Hutton acquired Debentures in the aggregate principal amount of C\$25,000 as full and final settlement for C\$25,000 in outstanding indebtedness, which did not change the number or percentage of common shares of the Company he beneficially owns or controls.

Prior to the completion of the Offering, Amin Shahidi, a Director of the Company, beneficially owned or controlled 8,307 common shares of the Company (representing approximately 0.02% of the outstanding common shares of the Company). Pursuant to the Offering, Amin Shahidi acquired Debentures in the aggregate principal amount of C\$25,000 as full and final settlement for C\$25,000 in outstanding indebtedness, which did not change the number or percentage of common shares of the Company he beneficially owns or controls.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

See item (d)(i) above.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Resolution passed by the board of directors of the Company on March 27, 2024. No special committee was established in connection with the transaction.

- (f) **a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements entered into with Jay Hutton and Amin Shahidi, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:**

The participation of each of Jay Hutton and Amin Shahidi in the Offering constitutes a related party transaction under MI 61- 101. The Company is relying on the exemptions from the valuation requirement and the minority approval requirement set out in subsections 5.5(a) *Fair Market Value Not More than 25% of Market Capitalization* and 5.7(1)(a) *Fair Market Value not More than 25% of Market Capitalization*, of MI 61-101, respectively.

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.

The Company will send a copy of this material change report to any security holder of the Company upon request and without charge.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Jay Hutton, CEO and Director
Telephone: 1-877-261-4466

Item 9: Date of Report

May 8, 2024