

**Form 51-102F3**  
**Material Change Report**

**Item 1            Name and Address of Company**

Grounded People Apparel Inc.  
800-1199 West Hastings Street  
Vancouver, BC V6E 3T5

**Item 2            Date of Material Change**

January 13, 2023

**Item 3            News Release**

A news release was disseminated on January 13, 2023, through the facilities of IRW and Accesswire and subsequently filed on SEDAR.

**Item 4            Summary of Material Change**

On January 13, 2023 the Company announced that it completed a non-brokered private placement (the "Financing") of 4,464,286 units (each, a "Unit"), at a price of \$0.56 per Unit with each Unit being comprised of one (1) common share of the Company (each, a "Common Share") and one (1) Common Share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one (1) Common Share at a price of \$0.70 for a period of twenty-four (24) months from the date of issue (the "Investment"). In connection with the Investment, the Company issued 44,643 Common Shares ("Administrative Shares") to a third-party in consideration for administrative services rendered in support of the private placement.

**Item 5            Full Description of Material Change**

See attached news release for full description of Material Change.

**Item 6            Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) 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**

Maximilian Justus, CEO is knowledgeable about the material change and the Report and may be contacted at 236-521-0626.

**Item 9            Date of Report**

January 13, 2023



CSE: **SHOE**  
W: [groundedpeople.com](http://groundedpeople.com)  
E: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)  
T: 1-844-673-6753

## **Grounded People Apparel Receives \$2.5 Million of Capital Injection from Vancouver-Based Right Season Investments Corp.**

*Grounded People to leverage investment to strengthen product line and distribution, preparing the brand for aggressive growth across the \$13.3 billion sustainable footwear market*

VANCOUVER, British Columbia – January 13, 2023 - **Grounded People Apparel Inc.** (“**Grounded People**” or the “**Company**”) (CSE: **SHOE**), a fair wage and sustainable vegan shoe company dedicated to reducing the harmful impact of the global fashion industry on the environment, is pleased to announce a significant breakthrough investment from Vancouver-based Right Season Investments Corp. (formerly Roadman Investments Corp.) (“**Right Season**”). Within Grounded People’s first year, the brand has emerged as a leader in sustainability and cruelty-free manufacturing, adopting a business model that’s built on transparency and trust, and forging a reputation among consumers across the world that “Every Step Matters” in helping preserve the planet. Grounded People’s products, which have been featured in Forbes Magazine, Rolling Stone and Marie Claire, are almost entirely handmade from recycled materials in one of the world’s only exclusively vegan factory located in Brazil.

The sustainable footwear market is strong and Grounded People is in a strategic position to capitalize with a dedicated consumer base that’s shown high interest in integrating with the brand’s mission to reverse the harmful environmental impact of the global fashion industry. According to a report by Allied Market Research, the global sustainable footwear market is projected to reach \$13.3 billion by the end of the decade, nearly doubling the \$7.7 billion market valuation in 2020. With the \$2.5 million cash injection from Right Season, Grounded People will further strengthen its leadership position and work towards expanding its portfolio of product and distribution.

*“It’s incredibly humbling to have the support of the team at Right Season, especially given current capital market conditions and the challenges they bring,”* stated Maximilian Justus, the CEO and co-founder of Grounded People. *“Their trust and partnership are more than just votes of confidence, they’re validation to our entire team that what we are doing matters and is important. Grounded People has come a long way since our founding in 2020, and this investment will enable us to grow our team further, expand our retail and online presence, target international markets and continue building a robust product portfolio that simply and cost-effectively protects our customers and the planet on which we reside.”*

Right Season’s investment in Grounded People comes just three months after the Company’s October 5, 2022, listing on the Canadian Securities Exchange (“**CSE**”). The Company’s ability to raise such a significant amount of money in current, tough, capital market conditions is received as a vote of confidence by Right Season in Grounded People.

The \$2.5 million investment by Right Season was completed by way of a non-brokered private placement of 4,464,286 units (each, a “**Unit**”), at a price of \$0.56 per Unit with each Unit being comprised of one (1) common share of the Company (each, a “**Common Share**”) and one (1) Common Share purchase warrant



CSE: **SHOE**

W: [groundedpeople.com](http://groundedpeople.com)

E: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)

T: 1-844-673-6753

(each, a “**Warrant**”), with each Warrant entitling the holder thereof to purchase one (1) Common Share at a price of \$0.70 for a period of twenty-four (24) months from the date of issue (the “**Investment**”). In connection with the Investment, the Company issued 44,643 Common Shares (“**Administrative Shares**”) to a third-party in consideration for administrative services rendered in support of the private placement.

All securities issued in connection with the Investment are subject to a four month and one day statutory hold period in accordance with applicable securities law.

Prior to completion of the Investment, Right Season held 347,222 Common Shares and 347,222 Common Share purchase warrants representing approximately 1.86% of the issued and outstanding Common Shares (or 694,444 Common Shares representing approximately 3.65% of the issued and outstanding Common Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

Following completion of the Investment, Right Season holds 4,811,508 Common Shares and 4,811,508 Common Share purchase warrants representing approximately 20.73% of the issued and outstanding Common Shares (or 9,623,016 Common Shares representing approximately 34.34% of the issued and outstanding Common Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

Right Season has acquired the Units for investment purposes. Right Season intends to evaluate these holdings and increase or decrease its investment in Grounded People as circumstances warrant.

This news release is being issued in accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection with the filing of an early warning report. The early warning report respecting the acquisition will be filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com) under Grounded People’s profile.

#### **ABOUT GROUNDED PEOPLE APPAREL**

Grounded People Apparel Inc. is a Vancouver, British Columbia, Canada based innovative apparel company focused on delivering high quality products to its customers that are 100% PETA – APPROVED vegan. The Company is primarily engaged in the business of fair trade, sustainable and earth-conscious fashion. The Company’s initial products, which launched in the fourth quarter of 2021, are its high-top and low-cut canvas sneakers, which are made from sustainable, ethically-sourced and produced materials, and are manufactured by fair-trade workers, in a 100% vegan manufacturing facility which is located in Brazil.

In addition to its commitment to a fashion industry that reduces waste and environmental impacts, the Company aims to create a meaningful positive impact on the world through its L.A.C.E.S. campaign. The L.A.C.E.S. campaign provides consumers an option to select a specific set of shoelaces to accompany their footwear purchase the colour of which is associated with one of the charities the Company has committed to support, whereby all profits from the sale of shoelaces will be donated correspondingly.



CSE: **SHOE**

W: [groundedpeople.com](http://groundedpeople.com)

E: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)

T: 1-844-673-6753

## ON BEHALF OF THE BOARD OF DIRECTORS

*“Maximilian Justus”*

Maximilian Justus  
Chief Executive Officer

For further information, please contact:  
Email: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)  
Telephone: 1-844-673-6753

***The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.***

## CAUTIONARY DISCLAIMER STATEMENT

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation, including with respect to the social and financial objectives of the Company and the use of proceeds from the Investment. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties, and uncertain capital markets. Readers are cautioned that actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.