

FORM 7
MONTHLY PROGRESS REPORT
For the Month of February, 2020

Name of CSE Issuer: **VSBLTY Groupe Technologies Corp.** (the “*Issuer*”, the “*Company*” or “*VSBLTY*”)

Trading Symbol: **VSBY**

Number of Outstanding Listed Securities: **81,114,353 common shares**

Date of filing: **March 4, 2020**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer is focusing on its innovative digital displays with facial and object recognition software solutions that enable the unique combination of targeted interactive content with real time data collection. Marketing and security applications are significantly enhanced with real time, cloud-based, or Edge-computed data that measures demographics and delivers custom messaging. VSBLTY FacialAnalytics™ provides sentiment measurement and facial recognition analytics that can - in milliseconds - identify individuals when alone or even in crowds.

- **On February 5, 2020, the Company announced that it and Energetika are achieving outstanding results in making Mexico City communities much safer. The firms are installing thousands of security kits, powered by VSBLTY software, in the initial phase of the \$10 million investment Mexico City is making in its safety lighting and integrated security program. The Mexican capital was designated as a “Smart City” in 2016 in recognition of its achievement in adapting to environmental and economic conditions and keeping them sustainable.**

Energetika’s security kit is a first of its kind “Citizen Safety” application and infrastructure program that includes outdoor mounted HD cameras, high intensity lighting, motion sensors and audible alarms. The technology also provides facial recognition and real time video analytics for crowd behavior. This low-cost system runs off local citizens’ internet service and is accessible on mobile devices in real time and includes an alerting system to enable direct local uniformed police response. The mobile application also permits content sharing for neighborhood watch and a panic button.

- **Between February 11-14, 2020, the Company attended and demonstrated its state-of-the-art digital display technology at two major trade shows in Europe. VSBLTY software was featured in the Intel booth, at the Integrated Systems Europe (ISE) show in Amsterdam, the Netherlands.**
- **Between February 16 – 20, 2020 the Company teamed with Sensormatic Solutions, the leading global retail solutions portfolio of Johnson Controls, at EuroShop, in**

Düsseldorf, Germany (Hall 6-C01). EuroShop is the world's most prominent trade show that focuses on relevant trends and topics of interest to retailers. EuroShop attracts visitors from 140 countries and exhibitors from 60. Highlighted in the booth will be SYNERGY™ Loss Prevention Pedestals used by retailers worldwide at entrances and exits to protect inventory from theft. VSBLTY demonstrated their software on these pedestals, upgraded with video screens that retailers and brands will be able to utilize as a new advertising network. VSBLTY and Sensormatic also demonstrated retail promotional display content including headers, shelf strips, vertical banners and tablets that produce high impact advertising, shopper analytics, as well as context-based security and loss prevention.

VSBLTY was also featured in the LU-VE Group booth at EuroShop with their European partner, H-Ventures. The team demonstrated a host of advanced technology including a “Magic Mirror”—designed for hotel bathrooms—that will display weather, news and advertising, as well as a “Fitness Mirror” for hotels that will show fitness-related content, activities and ads (Hall 1, B-37). Also demonstrated was a traditional vending machine and cooler, both engineered to feature targeted video content on the front of the unit to attract and inform customers (Hall 17, C-21). One of the new and important safety features VSBLTY and H-Ventures displayed was an emergency two-way calling that enables an individual trapped in a disabled elevator to video chat with an emergency response person who will provide updates on the status of the rescue team.

2. Provide a general overview and discussion of the activities of management.

Please see item 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None.

10. Report any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

- **Throughout February the Company issued:**

- **214,285 shares pursuant to debenture exercises**
- **87,000 shares pursuant to Finance Fee Shares.**
- **107,142 warrants pursuant to debenture exercises**

- **On February 26, 2020, the Company announced that it closed the first tranche of its private placement of \$1,000 principal amount 10% convertible unsecured debentures for gross proceeds \$1,630,380, of which \$870,000 was raised from the brokered**

portion of the Offering and \$760,380 was raised from the non-brokered portion of the Offering (the “Non-Brokered Offering”).

The Debentures will bear interest from February 26, 2020 (the “Closing Date”) at a rate of 10% per annum on an accrual basis, calculated and payable semi-annually, and will mature on February 26, 2022 (the “Maturity Date”).

The principal amount of the Debentures may be converted, in whole or in part, at any time before the Maturity Date, into units of the Company (each, a “Unit”) at \$0.30 per Unit, if converted at any time prior to or on the date that is 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 Share purchase warrant (each, 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 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 Company paid a cash commission to the Agent of \$69,600, a finance fee of 87,000 Shares and issued 232,000 non-transferable broker warrants (the “Broker Warrants”). Each Broker Warrant entitles the Agent to purchase one Share at the price of \$0.30 per Share for a period of 24 months from the Closing Date.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: March 4, 2020

Jay Hutton
Name of Director or Senior Officer

"Jay Hutton"
Signature

CEO & President
Official Capacity

<i>Issuer Details</i>		
Name of Issuer VSBLTY Groupe Technologies Inc.	For Month End February, 2020	Date of Report YY/MM/DD 2020/03/04
Issuer Address Suite 1240 – 1140 West Pender Street		
City/Province/Postal Code Vancouver, BC V6E 4G1	Issuer Fax No. ()	Issuer Telephone No. (604) 484-7855
Contact Name: Sheryl Dhillon	Contact Position: Corporate Secretary	Contact Telephone No. (604) 484-7855