

MARTELLO TECHNOLOGIES GROUP INC.

390 March Rd., Suite 110
Ottawa, Ontario
K2K 0G7

**FORM 51-102F3
MATERIAL CHANGE REPORT**

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

The name of the reporting issuer is Martello Technologies Group Inc. (the "Issuer" or "Martello"). Its head office is located at 390 March Rd., Suite 110 Ottawa, Ontario K2K 0G7.

Item 2. **Date of Material Change**

The material change occurred on December 14, 2023.

Item 3. **News Release**

The Issuer disseminated a news release via CISION on December 14, 2023 and subsequently filed the news release on SEDAR at www.sedar.com.

Item 4. **Summary of Material Changes**

The Issuer announced the closing of a non-brokered private placement of common shares in the capital of the Company ("Common Shares") for aggregate gross proceeds of CAD\$1,750,000 (the "Private Placement").

Item 5. **Full Description of Material Changes**

Pursuant to the Private Placement, Martello has issued 35,000,000 Common Shares at a price of CAD\$0.05 per Common Share, for aggregate gross proceeds of CAD\$1,750,000, subject to approval of the TSX Venture Exchange (the "TSXV").

The sole subscriber in the Private Placement is Wesley Clover International Corporation ("Wesley Clover"), a corporation controlled by Terence Matthews, Chairman of Martello, and a Control Person of the Company (as such term is defined in the policies of the TSXV). The Company intends to use the proceeds of the Private Placement for general corporate and operational purposes. The Common Shares issued in the Private Placement are subject to a four-month hold, which expires on April 15, 2024.

The Private Placement constitutes a "related party transaction" within the meaning of TSXV Policy 4.1 and Section 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") because an Insider (and associated entity of an Insider) of the Company, being Wesley Clover, has participated in the Private Placement and has acquired the number of Common Shares as is equal to CAD\$1,750,000 in connection with the Private Placement. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Private Placement as the fair market value (as

determined under MI 61-101) of the Insider participation in the Private Placement is below 25% of the Company's market capitalization (as determined in accordance with MI 61-101).

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

For further information, please contact Jim Clark, Interim Chief Executive Officer and Chief Financial Officer of the Issuer, at 613-271-5989.

Item 9. Date of Report

Dated December 15, 2023.

Cautionary Note Regarding Forward-Looking Information

This material change report contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods and " includes, but is not limited to, statements with respect to activities, events or developments that the Issuer expects or anticipates will or may occur in the future.

Forward-looking information is neither a statement of historical fact nor assurance of future performance. Instead, forward-looking information is based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking information relates to the future, such statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking information. Therefore, you should not rely on any of the forward-looking information. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the following: continued volatility in the capital or credit markets and the uncertainty of additional financing; the Issuer's ability to maintain its current credit rating and the impact on funding costs and competitive position; changes in customer demand; disruptions to the Issuer's technology network, including computer systems and software as well as natural events, such as severe weather, fires, floods and earthquakes or man-made or other disruptions of operating systems, structures or equipment; delayed purchase timelines and disruptions to customer budgets as well as Martello's ability to maintain business continuity as a result of COVID-19; and other risks disclosed in the Issuer's filings with Canadian Securities Regulators, including the Issuer's annual information form for the year ended March 31, 2021 dated January 7, 2022, which is available on the Issuer's profile on SEDAR at www.sedar.com.

Any forward-looking information provided by the Issuer in this material change report is based only on information currently available and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking information, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise