

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Delivra Health Brands Inc. (the “**Company**”)
Suite 404, 999 Canada Place
Vancouver, British Columbia, V6C 3E2

Item 2. Date of Material Change

December 12, 2023

Item 3. News Release

On December 12, 2023, a news release in respect of the material change was disseminated by the Company through Newsfile Corp. A copy of the news release is appended as Schedule “A” and was filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Item 4. Summary of Material Changes

(a) Description of the transaction and its material terms

On December 12, 2023, the Company completed a non-brokered private placement of 60,000,000 units of the Company (“Units”) at a price of \$0.015 per Unit for aggregate gross proceeds of \$900,000 (the “**Offering**”). Each Unit is comprised of one common share of the Company (each, a “**Common Share**”) and one common share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one Common Share (each, a “**Warrant Share**”) at an exercise price of \$0.05 (the “**Exercise Price**”) for a period of 36 months following the completion of the Offering.

Certain insiders of the Company (the “**Insiders**”) subscribed for an aggregate of 35,820,000 Units and therefore the Offering was considered a “related party transaction” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(b) and 5.7(1)(b) of MI 61-101) as the fair market value of the Offering was not more than \$2,500,000. A material change report was not filed by the Company at least 21 days before the closing of the Offering because the timing of the announcement of the Offering and the closing date of the Offering was less than 21 days apart.

In connection with the Offering, the Company incurred cash finder's fees of \$18,459 on gross proceeds raised by eligible arm's length parties.

(b) The purpose and business reasons for the transaction

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes and to support its ongoing marketing initiatives to support its distribution and customer acquisition strategy.

(c) The anticipated effect of the transaction on the issuer’s business and affairs

The Offering is expected to have a positive impact on the Company’s financial position, by increasing its

working capital, and improving its ability to grow and fund its ongoing operations and business.

(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, and (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 referred to in subparagraph (i) for which there would be a material change in that percentage.

The Insiders and their Common Share positions before and after the completion of the Offering are as follows:

Name	Common Shares Owned Prior to the Offering	Percentage of Common Shares Owned Prior to the Offering	Common Shares Acquired in the Offering	Common Shares Owned Following the Offering	Percentage of Common Shares Owned Following the Offering
Frank Holler, Executive Chairman ⁽¹⁾	163,000	0.06%	10,000,000	10,163,000	3.3%
Gord Davey, President and CEO ⁽²⁾	630,000	0.25%	10,600,000	11,230,000	3.6%
Jack Tasse, CFO ⁽³⁾	Nil	Nil	1,300,000	1,300,000	0.4%
Jason Bednar, Director ⁽⁴⁾	Nil	Nil	6,600,000	6,600,000	2.1%
Andy Bayfield, Director ⁽⁵⁾	Nil	Nil	4,000,000	4,000,000	1.3%
Tim Young, SVP ⁽⁶⁾	3,055	0.001%	3,320,000	3,323,055	1.1%

Notes:

- (1) Frank Holler has an aggregate of 2,350,000 options to purchase Common Shares.
- (2) Gord Davey has an aggregate of 4,950,000 options to purchase Common Shares.
- (3) Jack Tasse has an aggregate of 1,450,000 options to purchase Common Shares.
- (4) Jason Bednar has an aggregate of 1,300,000 options to purchase Common Shares.
- (5) Andy Bayfield has an aggregate of 1,791,667 options to purchase Common Shares.
- (6) Tim Young has an aggregate of 1,250,000 options to purchase Common Shares.

(e) 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.

The Board of Directors of the Company (the “**Board**”) considered the reasonableness and fairness of the Offering which was approved by all members of the Board. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. The participation by the Insiders is not expected to have a material effect on the Company’s business and affairs. The Board did not establish a special committee to review the terms of the Offering.

(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 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, and (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 the related parties described above, 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 on, and the facts supporting reliance on the exemptions

The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61- 101 pursuant to subsections 5.5(b) and 5.7(1)(b), as neither the fair market value of the securities to be distributed in the Offering nor the consideration to be received for those securities, insofar as the Offering involves related parties, exceeds \$2,500,000.

Item 5. Full Description of Material Changes

Please see a copy of the Company's press release dated December 12, 2023, a copy of which is attached to this material change report as Schedule "A".

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Jack Tasse, Chief Financial Officer, is knowledgeable about the material change and this material change report. Mr. Tasse can be contacted at 1-877-915-7934 and at IR@delivrahealth.com.

Item 9. Date of Report

December 15, 2023

Schedule "A"

See attached.

Delivra Health Brands Announces Closing of Non-Brokered Private Placement of Units

Vancouver, British Columbia--(Newsfile Corp. - December 12, 2023) - Delivra Health Brands Inc. (TSXV: DHB) (OTCQB: DHBUF) ("**Delivra Health**" or the "**Company**"), a consumer packaged goods company uniquely positioned in the health and wellness sector, is pleased to announce the closing of its non-brokered private placement (the "**Offering**") of units (the "**Units**") previously announced on December 1, 2023. The Company issued a total of 60,000,000 Units at a price of \$0.015 per Unit for aggregate gross proceeds of \$900,000. Each Unit is comprised of one common share of the Company ("**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share (each, a "**Warrant Share**") at a price of \$0.05 per Warrant Share for 36 months following the completion of the Offering.

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes and to support its ongoing marketing initiatives to support its distribution and customer acquisition strategy. All securities issued pursuant to the Offering are subject to a hold period of four months plus a day from the date of issuance prescribed by the TSX Venture Exchange (the "**TSX-V**") and the resale rules of applicable securities legislation. In connection with the Offering, the Company incurred cash finder's fees of \$18,459 on gross proceeds raised by eligible arm's length parties.

Certain insiders of the Company (the "**Insiders**") participated in the Offering and acquired an aggregate of 35,820,000 Units. Such subscriptions by the Insiders constitute a related party transaction under Multilateral Instrument 61-101 - *Protection of Security Holders in Special Transactions* ("**MI 61-101**"). However, any such purchase is exempt from the formal valuation and minority approval requirements of MI 61-101 by virtue of the exemptions contained in sections 5.5(b) and 5.7(1)(b) of MI 61-101, and where there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of any class of affected securities. Pursuant to MI 61-101, the Company will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR+ under Delivra Health's issuer profile at www.sedarplus.ca. The Company did not file a material change report more than 21 days before the expected closing date of the Offering as required by MI 61-101, because the timing of the announcement and the closing date was less than 21 days apart.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Delivra Health Brands Inc.

Helping people take control of their health with alternative wellness solutions is what energizes the Delivra Health team! The Delivra Health portfolio features innovative brands like Dream Water® and LivRelief™, which deliver relief from common everyday issues like chronic pain, anxiety, and sleeplessness. Delivra Health products have allowed millions of customers to reclaim their mobility, energy, and in turn, quality of life. The websites of the Company's two subsidiaries are [Dream Water®](http://www.dreamwater.com) and [LivRelief™](http://www.livrelief.com). For more information, please visit www.delivrahealthbrands.com.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All

statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, among other things, statements with respect to the use of proceeds from the Offering.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution, and sale of cannabis and cannabis-related products in the markets where the Company operates. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form dated March 2, 2021, and under the heading "Risks and Uncertainties" in the Company's management's discussion and analysis dated October 18, 2023 for fiscal 2023 filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

Neither TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accept responsibility for the adequacy or accuracy of this release.

Investor Relations:

Jack Tasse
Chief Financial Officer
IR@delivrahealth.com
1-877-915-7934

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.



To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/190772>