

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

Item 1 Name and Address of Company

VersaBank
2002 – 140 Fullarton Street, London, Ontario
N6A 5P2

Item 2 Date of Material Change

December 16, 2024

Item 3 News Release

A news release describing the material change referred to in this report was issued on December 16, 2024 through the facilities of Canada Newswire (Cision) and subsequently filed on SEDAR+.

Item 4 Summary of Material Change

On December 16, 2024, VersaBank (the “**Bank**”) announced the pricing of its public offering of 5,660,378 common shares (the “**Offering**”) at a price to the public of US\$13.25 (approximately CAD\$18.95) per common share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On December 16, 2024, the Bank announced the pricing of the Offering at a price to the public of US\$13.25 (approximately CAD\$18.95) per common share. The Bank has also granted the Underwriters (as defined below) an over-allotment option to purchase up to an additional 15% of the common shares sold pursuant to the Offering, which is exercisable until January 15, 2025.

On December 18, 2024, the Bank successfully completed the Offering. An aggregate of 5,660,378 common shares were sold by the Bank for gross proceeds, before underwriting discounts and offering costs, of US\$75,000,009 (approximately CAD\$107,287,513).

The common shares were offered by way of a prospectus supplement dated December 16, 2024 (the “**Prospectus Supplement**”) to the Bank’s short form base shelf prospectus dated November 22, 2024, which was filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec. The Prospectus Supplement was also filed with the U.S. Securities and Exchange Commission, as a supplement to the Bank’s registration statement on Form F-10 under the U.S./Canada Multijurisdictional Disclosure System.

The Offering was conducted through a syndicate of underwriters led by Raymond James & Associates, Inc., as the sole bookrunning manager, and Keefe, Bruyette & Woods, A *Stifel Company*, and Roth Canada, Inc. as co-managers (collectively, the “**Underwriters**”).

The Bank expects that the net proceeds from the Offering will be used for general banking purposes and will qualify as Common Equity Tier 1 capital for the Bank.

Forward-Looking Statements

This material change report contains forward-looking information and forward-looking statements within the meaning of applicable securities laws ("**forward-looking statements**") including statements regarding the proposed use of proceeds of the Offering and the over-allotment option granted to the Underwriters. Words such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes", "aims", "endeavours", "projects", "continue", "predicts", "potential", "intends", or the negative of these terms or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might", "will" or "should" are intended to identify forward-looking statements.

These forward-looking statements by their nature require the Bank to make assumptions and are subject to inherent risks and uncertainties that may be general or specific, including without limitation with respect to: the strength of the Canadian and U.S. economies in general and the strength of the local economies within Canada and the U.S. in which the Bank conducts operations; the effects of changes in monetary and fiscal policy, including changes in interest rate policies of the Bank of Canada and the U.S. Federal Reserve; global commodity prices; the effects of competition in the markets in which the Bank operates; inflation; capital market fluctuations; the timely development and introduction of new products in receptive markets; the impact of changes in the laws and regulations pertaining to financial services; changes in tax laws; technological changes; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and savings habits; the impact of wars or conflicts on global supply chains and markets; the impact of outbreaks of disease or illness that affect local, national or international economies; the possible effects on our business of terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; and the Bank's anticipation of and success in managing the risks implicated by the foregoing. The foregoing list of important factors is not exhaustive. Although the Bank believes that the assumptions underlying these forward-looking statements are reasonable, they may prove to be incorrect, and readers cannot be assured that the Offering discussed above will be completed on the terms described above. Exercise and completion of the over-allotment option may not occur and is subject to numerous factors, many of which are beyond the Bank's control, including but not limited to, the failure of customary closing conditions and other important factors disclosed previously and from time to time in the Bank's filings with the U.S. Securities and Exchange Commission and the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada. The forward-looking statements contained in this material change report represent the Bank's expectations as of the date of this material change report, or as of the date they are otherwise stated to be made, and subsequent events may cause these expectations to change. The Bank undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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

None.

Item 8 Executive Officer

For further information, please contact:

David Taylor
President & Chief Executive Officer
Telephone No: (519) 675-4216

Item 9 Date of Report

December 23, 2024