

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

**Item 1 Name and Address of Company**

Hapbee Technologies, Inc. (the “Company” or “Hapbee”)  
2250 – 1055 West Hastings Street  
Vancouver, British Columbia  
V6E 2E9

**Item 2 Date of Material Change**

November 9, 2022

**Item 3 News Release**

Attached as Schedule “A” to this material change report is a copy of the news release with respect to the material change summarized in this material change report, which was issued by the Company on November 9, 2022 through the facilities of PRNewswire and filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”). A copy of each news release is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

On November 9, 2022, the Company announced that it had completed a non-brokered private placement of units of the Company (“Units”) for aggregate gross proceeds to the Company of CAD\$1,566,632 (the “Offering”). The Company also announced that it had issued an aggregate of 1,400,000 stock options (“Options”) and an aggregate of 400,000 restricted stock units (“RSUs”) to certain insiders of the Company.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

On November 9, 2022, the Company announced that it had completed a non-brokered private placement of Units for aggregate gross proceeds to the Company of CAD\$1,566,632.

As part of the Offering, the Company issued 22,380,459 Units at a price of CAD\$0.07 per Unit, which consisted in the issuance of 22,380,459 subordinate voting shares of the Company (“Shares”) and 22,380,459 Share purchase warrants (“Warrants”) with each Warrant entitling the holder thereof to acquire one Share at a price of CAD\$0.15 per Share for a period of 2 years from the closing date of the Offering. The expiry date of the Warrants will be subject to prior acceleration, at the discretion of the Company, should the volume weighted average price of the Company’s listed Shares on the TSX Venture Exchange (“TSXV”), or any other stock exchange on which the Company’s Shares are then listed, is greater than CAD\$0.50 for a period of 10 consecutive trading days, the whole in accordance with the terms of the Warrants. Each Share and Warrant issued (including the Shares underlying the Warrants) will be subject to a hold period of four months plus one day following the closing of the Offering pursuant to Canadian securities laws.

Certain existing insiders of the Company including members of the Executive Team and Board of Directors participated in the Offering by purchasing an aggregate of 4,416,302 Units. The portion of such participation by the insiders constituted a “related party transaction” within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company relied on exemptions from the formal valuation and minority approval requirements of MI 61-101 as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves related parties, exceeded 25% of the Company’s market capitalization.

Any net proceeds received by the Company from the Offering are intended to be used for product development, manufacturing, business development, working capital and general corporate purposes.

The Company also announced that it had issued an aggregate of 1,400,000 Options and an aggregate of 400,000 RSUs to certain insiders of the Company. The Options have an exercise price of CAD\$0.065 per share and are exercisable for a period of seven years from the date of issuance. The RSUs are based on a market price of CAD\$0.065 and will vest in equal instalments over a period of three years.

This material change report does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons. The securities offered pursuant to the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “**United States**”), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.

**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**

No information has been omitted on the basis that it is confidential information.

**Item 8 Executive Officer**

For further information, please contact Mitchell Kujavsky, Chief Financial Officer, at (514) 833-1158.

**Item 9 Date of Report**

November 21, 2022.

**Forward-Looking Statements**

Statements in this material change report that are not statements of historical or current fact constitute “forward-looking statements” within the meaning of the U.S. securities laws and Canadian securities laws. Such forward-looking statements involve known and unknown risks, uncertainties, and other unknown factors that could cause the actual results of Hapbee to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labelled with the terms “believes”, “belief”, “expects”, “intends”, “projects”, “anticipates”, “will”, “should” or “plans” to be uncertain and forward-looking. Forward-looking statements relate to future events or future performance and reflect management’s expectations or beliefs regarding future events including, but not limited to, statements about the intended use of proceeds from the Offering. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this material change report. The forward-looking statements contained in this material change report are expressly qualified in their entirety by this cautionary statement and the “Risk Factors” section contained in Hapbee’s latest Annual Information Form (the “**AIF**”), which also forms part of Hapbee’s latest annual report on Form 40-F, and which is available on SEDAR at [www.sedar.com](http://www.sedar.com). All forward-looking statements in this material change report are made as of the dates of the news releases incorporated herein. Hapbee does not undertake to update any such forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

**SCHEDULE "A"**

See attached.



## Hapbee Announces Closing of \$1.5M Private Placement

### Insiders and Executives Participated to Fund Continued Growth

**VANCOUVER, British Columbia, November 9, 2022 – Hapbee Technologies, Inc. (TSXV: **HAPB**) (OTCQB: **HAPBF**) (FSE: **HA1**) (“Hapbee” or the “Company”),** the digital wellness technology company is pleased to announce that it has completed a non-brokered private placement of units of the Company (“**Units**”) for aggregate gross proceeds to the Company of CAD\$1,566,632 (the “**Offering**”).

“This capital enables us to continue to evolve our products and to expand our market presence and manufacturing on the heels of the successful launch of our game-changing new device – The Smart Sleep Pad,” said Yona Shtern, CEO and Executive Chairman of Hapbee.

The Company achieved a milestone in September when it pre-sold 992 devices units in the month – the most in a single month in the Company’s short history - primarily driven by the popularity of The Smart Sleep Pad. It was designed especially for sleep with an easier-to-use, more comfortable form factor and a larger magnetic field diameter which early users report provides an even more effective improvement of their sleep patterns. First production shipments of the new device are expected to begin later this week and we anticipate that manufacturing will continue to ramp to meet actual and forecasted demand.

As part of the Offering, the Company issued 22,380,459 Units at a price of CAD\$0.07 per Unit (the “**Offering Price**”), which consisted in the issuance of 22,380,459 subordinate voting shares of the Company (“**Shares**”) and 22,380,459 Share purchase warrants (“**Warrants**”) with each Warrant entitling the holder thereof to acquire one Share at a price of CAD\$0.15 per Share for a period of 2 years from the closing date of the Offering. The expiry date of the Warrants will be subject to prior acceleration, at the discretion of the Company, should the volume weighted average price of the Company’s listed Shares on the TSX Venture Exchange (“**TSXV**”), or any other stock exchange on which the Company’s Shares are then listed, is greater than CAD\$0.50 for a period of 10 consecutive trading days, the whole in accordance with the terms of the Warrants. Each Share and Warrant issued (including the Shares underlying the Warrants) will be subject to a hold period of four months plus one day following the closing of the Offering (the “**Hold Period**”) pursuant to Canadian securities laws.

Certain existing insiders of the Company including members of the Executive Team and Board of Directors participated in the Offering by purchasing an aggregate of 4,416,302 Units. The portion of such participation by the insiders constitutes a “related party transaction” within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on exemptions from the formal valuation and minority approval requirements of MI 61-101 as neither the fair market value of the subject matter of, nor the fair market value of the consideration

for, the transaction, insofar as it involves related parties, exceeded 25% of the Company's market capitalization.

Any net proceeds received by the Company from the Offering are intended to be used for product development, manufacturing, business development, working capital and general corporate purposes.

The Offering remains subject to the final approval of the TSXV.

The securities offered pursuant to the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "**United States**"), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.

### **Option and RSU Grants**

The Company is also announcing that it has issued an aggregate of 1,400,000 stock options ("**Options**") and an aggregate of 400,000 restricted stock units ("**RSUs**") to certain insiders of the Company. The Options have an exercise price of CAD\$0.065 per share and are exercisable for a period of seven years from the date of issuance. The RSUs are based on a market price of CAD\$0.065 and will vest in equal instalments over a period of three years.

### **About Hapbee**

Hapbee is a digital wellness technology company that aims to help people take control of how they sleep, perform and feel. Hapbee's digital wellness library of Blends and Routines utilizes patented ultra-low radio frequency energy (uIRFE®), designed to help optimize users' sleep, productivity, recovery, and downtime. Hapbee devices and subscriptions are available for purchase at Hapbee.com and through a growing network of select distributors.

You can learn more about how Hapbee works at [www.hapbee.com/science](http://www.hapbee.com/science).

### **Forward-Looking Statements**

Certain statements included in this news release constitute forward-looking information or statements (collectively, "**forward-looking statements**"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This news release contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Any statements about the intended use of proceeds from the Offering are forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Such statements and information are based on numerous assumptions regarding the Company's ability to meet its planned product marketing and development initiatives and the Company's ability to achieve its e-commerce rollout and full-scale commercial launch as anticipated.

Factors that could cause the actual results to differ materially from those in the forward-looking statements include, delays in design, production, manufacturing, development or releases of signal blends, collection of data from customer use, or the Company may not be able to achieve its targets as anticipated or at all; changes in legislation and regulations; increase in operating costs; equipment failures; failure of counterparties to perform their contractual obligations; litigation; the loss of key directors, employees, advisors or consultants and fees charged by service providers. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. These risks, uncertainties and assumptions include, but are not limited to, those described in Hapbee's annual information form dated January 27, 2021, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com), and could cause actual events or results to differ materially from those projected in any forward-looking statements. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward-looking statements.

*Neither TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*