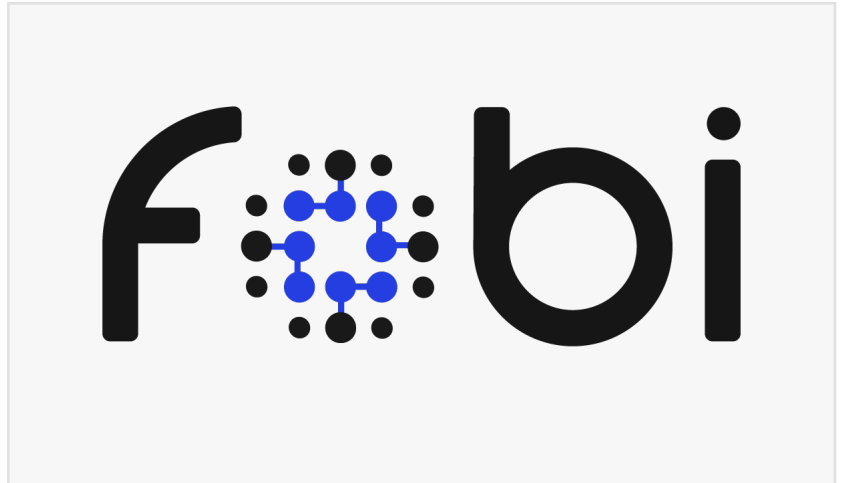


Fobi Closes Acquisition of Passworks S.A.

VANCOUVER, BRITISH COLUMBIA,
CANADA, April 19, 2023

/EINPresswire.com/ -- FOBI AI Inc.

(TSXV: FOBI, OTCQB: FOBIF) (the "Company" or "FOBI"), an industry leader in harnessing AI and data intelligence to enable digital transformation, is pleased to announce that further to its press release dated February 27, 2023, the company has closed the transactions contemplated by the share purchase agreement (the



"SPA") with Francisco Fiúza Da Silva Beirão Belo (the "Vendor"), pursuant to which the Company acquired all of the issued and outstanding shares (the "Target Shares") of Passworks S.A. (the "Target") from the Vendor (the "Transaction"). Passworks is a leading European digital wallet and mobile marketing company with international clients such as luxury fashion retailer Hugo Boss, global coupon giant Catalina Marketing Corporation, and digital advertising leader Publicis.



This strategic acquisition of Passworks gives us access to a number of key Tier 1 customers and agency relationships, which will help drive immediate revenue and strengthen our brand."

*Rob Anson, CEO and
Chairman of Fobi*

Francisco Belo, CEO of Passworks, states: "We at Passworks are very happy to join Fobi and be part of a larger organization with a clear focus on Mobile Wallet solutions, together with data and digital transformation. The synergies of the two companies will definitely strengthen Fobi's position as a leader in the mobile wallet space."

Rob Anson, CEO of Fobi, states: "The acquisition of Passworks will give us further scale and strengthen our position as a global wallet pass leader. This strategic

acquisition also gives us access to a number of key Tier 1 customers and agency relationships, which will help drive immediate revenue and strengthen our brand."

REVISED DEFINITIVE ACQUISITION AGREEMENTS WITH RESPECT TO ACQUISITION OF PASSWORKS S.A.

The aggregate purchase price for the Target Shares was €500,000, paid by the issuance of

1,674,264 common shares of the Company (the "Consideration Shares") at a price of \$0.44 per Consideration Share. The Consideration Shares are subject to a contractual escrow, whereby, 20% of the Consideration Shares was released on the date of issuance, 25% will be released 3 months following issuance, 35% will be released 6 months following issuance, and 20% will be released 9 months following issuance.

As additional consideration of the Target Shares and in addition to the Consideration Shares, subject to applicable laws, in the event the gross revenue of the Target and/or other affiliates of the Company from sales originating from existing clients of the Target and/or new clients originating as a result of the Vendor's efforts meets or exceeds €300,000 during the one year period from the Closing Date, the Company has agreed to pay to the vendor an additional €50,000 (the "Earn-Out Share Value"), payable in common shares of the Company (the "Earn-Out Shares").

The number of Earn-Out Shares issuable will be that number of common shares of the Company as is equal to a fraction, the numerator of which is the Earn-Out Share Value converted into Canadian funds using the Bank of Canada daily exchange rate on the date that is five TSXV trading days prior to the date of the Earn-Out Notice (as defined in the SPA), and the denominator of which is the greater of (i) the VWAP of the common shares of the Company existing at the time of calculation on the TSXV for the ten TSXV trading day period ending five TSXV trading days prior to the date of the Earn-Out Notice, and (ii) the lowest price permissible under the policies of the TSXV, being \$0.44.

The parties to the SPA are Arm's Length Parties (as defined In the policies of the TSXV) and there are no finder's fees payable pursuant to the Transaction.

On the Closing Date, the Company also entered into a one-year term service agreement (the "Service Agreement") with Sortido Cinzento, Unipessoal, LDA (the "Service Provider"), a sole shareholder company that is wholly owned and controlled by the Vendor, pursuant to which, the Company engaged the services of the Vendor on a full time basis. Pursuant to the Service Agreement, the Company has agreed to pay to the Service Provider a monthly fee of €10,000 (plus applicable taxes) for the term of the Service Agreement, issue to the Service Provider, €60,000 in common shares of the Company ("Common Shares") on the one month anniversary of the Service Agreement (the "Initial Shares") which such number of Initial Shares shall be calculated by dividing the Canadian dollar equivalent of €60,000 using the Bank of Canada daily exchange rate for the third business day before the date of issuance by the greater of: (i) the VWAP for the ten TSXV trading day period ending five TSXV trading days before the date of issuance; (ii) a 15% discount to the applicable market price of the Common Shares on the TSXV; and (iii) the minimum price permissible under the policies of the TSXV. Additionally, the Service Provider will receive a pro rata payment of up to €40,000 payable in Common Shares (the "First Anniversary Shares") based on the number of actual months worked by the Service Provider. The First Anniversary Shares shall be due and payable on the one (1) year anniversary of the date of the Service Agreement (the "First Anniversary Issuance Date") and the number of such First Anniversary Shares being issued calculated by dividing the Canadian dollar equivalent of €40,000

using the Bank of Canada daily exchange rate for the third business day before the First Anniversary Issuance Date by the greater of: (i) the VWAP for the ten TSXV trading day period ending five TSXV trading days before the First Anniversary Issuance Date; (ii) a 15% discount to the applicable market price of the Common Shares on the TSXV; and (iii) the minimum price permissible under the policies of the TSXV. The issuance of the First Anniversary Shares remain subject to TSXV approval.

All Common Shares are subject to a hold period of four months from the date of issuance thereof in accordance with applicable securities laws. The Transaction has received conditional approval of the TSXV. A copy of the SPA will be made available on the Company's SEDAR profile at www.sedar.com following closing of the Transaction.

This press release is available on the [Fobi website](#).

To download the Fobi Investor Experience Wallet Pass to get enhanced access to investor information about Fobi, please visit [the download page](#).

About Passworks

Passworks engages with consumers in real time and based on their location through the creation of mobile content that address loyalty coupons, promotions, event tickets, gift cards, membership cards, boarding passes and much more.

About Fobi

Founded in 2017 in Vancouver, Canada, Fobi is a leading AI and data intelligence company that provides businesses with real-time applications to digitally transform and future-proof their organizations. We enable businesses to action, leverage, and monetize their customer data by powering personalized and data-driven customer experiences, and drive digital sustainability by eliminating the need for paper and reducing unnecessary plastic waste at scale.

Fobi works with some of the largest global organizations across retail & CPG, insurance, sports & entertainment, casino gaming, and more. Fobi is a recognized technology and data intelligence leader across North America and Europe, and is the largest data aggregator in Canada's hospitality & tourism industry.

For more information, please visit <https://www.fobi.ai/>.

Forward-looking statements:

This news release contains certain statements that constitute forward-looking statements or information, including statements regarding Fobi's business and technology; the ability of Fobi to engage with industry participants to achieve its goals; the development of Fobi's technology; and the viability of Fobi's business model. Such forward-looking statements are subject to numerous

risks and uncertainties, some of which are beyond Fobi's control, including the impact of general economic conditions, industry conditions, competition from other industry participants, stock market volatility, and the ability to access sufficient capital from internal and external sources. Although Fobi believes that the expectations in its forward-looking statements are reasonable, they are based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated, or implied in the forward-looking statements. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity, or achievements. The forward-looking statements contained in this news release are made as of the date of this news release and, except as required by applicable law, Fobi does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Trading in the securities of Fobi should be considered highly speculative. There can be no assurance that Fobi will be able to achieve all or any of its proposed objectives.

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

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